

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government Committee March 23, 2023

**BREWER:** Good afternoon, and welcome to the Government, Military and Veterans Affairs Committee. I'm Senator Tom Brewer, representing the 43rd Legislative District of western Nebraska, and I serve as the Chair of this committee. The committee-- hang on here. Committee will take up bills in the order that they are posted on the agenda today. So we'll be starting with our appointees and then we'll move to our three bills. This is your opportunity to express your position on the proposed legislation before us today. Committee members may come and go during the hearing. That's just part of the process. They have bills to introduce in other committee. I ask that you abide by the following procedures to better facilitate today's meeting: silence or turn off your cell phones or electronic devices. When the time comes, we need you to move forward to the chair in the center to testify if you're in line after that. The first two rows are for those that are going to be testifying. The introducing senator will make the initial comments, followed by the proponents, opponents and those in the neutral. Closing remarks are saved for the introducing senator. If you're planning to testify today, please pick up one of the green sign-in sheets that is on the table in the back of the room. Fill it out completely, legibly. And then when you come forward, please give the sheet to either the committee clerk or one of the pages. If you do not wish to testify but have a record of your presence here, there is a white sheet that you can sign that will record your presence and whether you're a proponent, opponent or neutral. And if you have handouts, we'd ask that you that provide 10 copies. If you don't have 10 copies, let us know and we will have the pages make copies. When it comes time to testify, we ask that you speak clearly into the microphone, state your name, then spell your name for the record. We'll be using the light system today. We will do the five-minute light. So you'll have four minutes green, one minute in yellow, and then a red light and alarm will go off if you go too long. No displays of support or opposition to a bill, vocal or otherwise, will be allowed from the audience. This is a public hearing. Committee members with us today will introduce themselves, starting on my right.

**RAYBOULD:** Good afternoon, everyone. I'm Jane Raybould. Legislative District 28, from the heart of Lincoln.

**SANDERS:** Good afternoon. Rita Sanders, representing District 45, which is the Bellevue-Offutt community.

**LOWE:** John Lowe, District 37, halfway between Boston and San Francisco.

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**HALLORAN:** Good afternoon. Steve Halloran, District 33, which is the heart of south central Nebraska. Representing Adams County, Kearney County and Phelps County.

**BREWER:** All right. Dick Clark is the legal counsel, and Julie Condon is our committee clerk. Senator Sanders is the Vice Chair. And our pages today is Audrey and, on the sheet I'm holding in my hand, Trent. All right? All right. And Senator Conrad, [INAUDIBLE].

**CONRAD:** Good afternoon. Hi. Danielle Conrad, north Lincoln. Thank you, Chair.

**BREWER:** No problem. We just want to know who everybody is. All right. Now we'll hop over and we will start with our appointments today, and the first one up is State Fire Marshal. Scott, come on up. If you want to just give us-- oh, you got some handouts. Outstanding. And if you want to just tell us a little about yourself and why you want the position, we'll just sit here and soak it all up.

**SCOTT CORDES:** I do have some prepared comments, Senator. If it's OK, I'll--

**BREWER:** Please. Go for it.

**SCOTT CORDES:** --I'll read those to you. Chairman Brewer and members of the Government, Military and Veterans Affairs Committee. My name is Scott Cordes, S-c-o-t-t C-o-r-d-e-s, and I have been appointed by Governor Pillen to serve as the State Fire Marshal. Appreciate the opportunity to appear before the committee this afternoon and provide some background about the agency and about myself. The Fire Marshal Agency has a huge range of duties that directly impact both the commercial community as well as the health and well-being of every citizen in the state of Nebraska. The agency has 73 full-time employee positions, as well as approximately 75 part-time employees that are utilized solely for the training, for the training of firefighters in the training division. The agency has seven divisions, each having unique responsibilities. Investigations division, in which all members are sworn law enforcement officers, is responsible for conducting post-- post-blast in fire investigations to determine cause and origin of fires and, when necessary, seek arson prosecutions. This division also investigates criminal violations of open burn and fireworks violations. The fuels division has two major divisions-- units consisting of pipeline safety and underground tank inspection personnel. This division ensures compliance with federal regulations regarding natural gas, interstate pipelines and environmental

regulations for installation, maintenance and removal of underground storage tanks. The inspection division, which ensures compliance with fire code regulations, also has areas of specialization, such as federal licensure of hospitals and nursing homes, state licensure of daycares and facilities requesting a liquor license, grain elevators, anhydrous ammonia facilities and all other regulated facilities listed in the statute. This division also conducts inspections on all the newly constructed facilities in the state. The training division is responsible for providing training for the development, maintenance and updating fire department personnel and other individuals involved in fire safety and emergency responders. Plans division reviews building plans to ensure compliance with new buildings and renovations, comply with the fire code regulations and accessibility regulations. Additionally, this division licenses water-based fire protection system contractors. The administration division also has numerous units, such as accounting, finance, payroll, human resources, legal, fire prevention, public relations, registration for compliance with the National Reduced Cigarette Ignition Propensity Act, licensing of firearm inspectors, fireworks display operators, as well as clerical support. Regarding me personally, I stand before you today with 40 years of dedicated service and commitment to the Nebraska Fire Service and to public safety. I started as a volunteer firefighter in Scribner, Nebraska, following in a family tradition of service. I fell in love with everything about the fire service and decided to pursue it as a career. I attended Southeast Community College, securing an associate degree in fire protection technology and was fortunate to land a job with the very agency I am now seeking confirmation to lead. I served for 10 years as a Deputy State Fire Marshal, leaving only to seek an opportunity to serve in a leadership role. The city of Norfolk gave me that opportunity for the past 26 years. I served that community faithfully as the city fire marshal, assistant fire chief, fire chief, public safety director, assistant city administrator. In addition to my broad-based work experience, I come to you with many national certifications in a range of categories, along with a bachelor's degree in business and a master's degree in leadership. I was deeply honored when I received the call from the Governor asking if I would be willing to lead the State Fire Marshal's Office and serve as the new agency director and State Fire Marshal. As the agency director, I want to serve the citizens of Nebraska by helping ensure the agency is focused on customer service, finding creative solutions while maintaining a high standard of public safety. I will work with the fire service community to find ways to help develop relationships between entities and work to remove barriers whenever possible. I will rely on the experience and knowledge of the current staff to help

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navigate through the state processes, and I will remain open to suggestions and ideas on ways to enhance both the staff and customer experience. I will continue to be professional in every aspect and represent the State Fire Marshal Agency and the state of Nebraska in a positive manner. I look forward to the opportunity to serve as the State Fire Marshal, pending your confirmation. Thank you for your time and consideration. I will be happy to answer any questions you'd all might have. Thank you.

**BREWER:** All right. Well, thank you. Let's see if we have any questions for you. Questions? All right. That means you did a good job of telling us about you. All right. Thank you.

**SCOTT CORDES:** Thank you.

**BREWER:** All right. We will start with proponents. Come on up. Welcome to the Government Committee.

**BILL BOWES:** Thank you. Senator Brewer, members of the committee, my name is Bill Bowes, B-i-l-l B-o-w-e-s. I am the chief of the Papillion Fire Department, and I'm here representing the Nebraska Municipal Fire Chiefs Association. Our, our president, Chief Thompson, had a prior commitment today and could not make that. You do have a letter from Chief Thompson in your files, so I won't repeat any of that. But I want to thank Governor Pillen for the work that he and his staff did to find Scott to lead the agency. We are very excited about that. Scott has dedicated his entire career to the safety of the citizens of his community and the state of Nebraska. He is a man of honor and integrity and a problem solver with a history of bringing people and groups together to find solutions. I've known Scott personally for over 15 years and can attest to the quality of his leadership. I appreciate the words that Scott just said. It, it wasn't just a description written on a piece of paper. Scott was really describing who he was in a very honest manner. So I appreciate that. Scott is an excellent choice to lead the State Fire Marshal's Office, and those of us in the fire service in the state wholeheartedly support this appointment. So, thank you for this opportunity.

**BREWER:** All right. Thank you. Do we have any questions? Sorry. All right. Additional proponents? Welcome to the Government Committee.

**DANIELLE MYERS NOELLE:** Thank you. Good afternoon. Senator Brewer and committee members, my name is Danielle Myers Noelle, D-a-n-i-e-l-l-e M-y-e-r-s N-o-e-l-l-e. I am here in support of the confirmation of Scott Cordes as Nebraska's Fire Marshal. It is my privilege to be here

and to recommend Scott for this position. And I know without a shadow of a doubt that Scott will excel in this role. My favorite leadership quote is as follows: a good leader takes a little more than his share of the blame, a little less than his share of the credit. In over five years of working with Scott Cordes, I can truly and safely say that I have never met a leader who lives out this quote as aptly as Scott does. I have witnessed Scott engage in difficult conversations with grace and with empathy. I have witnessed Scott inspire a room of 25 or more organizational department heads who looked to him for leadership after an initiative failed that everyone had worked diligently towards. I have witnessed Scott treat every member of staff with dignity and kindness, always taking time to check in on a young parent to see how their children are doing, for example. Most importantly, I have witnessed over and over in over five years Scott Cordes take far more than his fair share of the blame. Scott understands that a functional team shares wins as well as losses and rises and falls together. Scott has also perfected the fine art of reducing the tension in a room with a well-timed joke. In short, Scott Cordes is one of the best human beings I have ever known. He has an incredible work ethic and he knows how to forge a strong, loyal team capable of withstanding any challenge. It has been an incredible blessing to have worked with him for over five years. The highest honor is being someone that Scott considers a friend. The state of Nebraska, the State Fire Marshal's Office and Governor Pillen would be incredibly lucky to have this natural leader as part of the Governor's Cabinet. I kindly ask that you confirm his appointment, and I look forward to answering any questions that you may have for me in that regard.

**BREWER:** All right. Thank you. OK. Any questions for Danielle? All right. Thank you for your testimony.

**DANIELLE MYERS NOELLE:** Thank you.

**BREWER:** Welcome to the Government Committee.

**LYLE LUTT:** Thank you, Senator. Good afternoon, Chairman, committee, staff. My name is Lyle Lutt, L-y-l-e L-u-t-t. I'm speaking in support of Scott Cordes for the State Fire Marshal position. I was hired at Norfolk Fire in 1999. Chief Cordes was the assistant chief at the time. It didn't take me long to realize that he was a subject matter expert in a multitude of code and inspection manuals that are very dry, so much so it makes my eyes bleed to look at them. However, his file is jam-packed full of licenses and certifications of an array of an inspector's accomplishments. He was assis-- he was a prevention's assistant chief when I was hired and served in that capacity for many

years until promoted to fire chief. I was blessed with the opportunity to be promoted to lieutenant and captain at a very young age and very early in my career. That blessing afforded me the opportunity to serve-- to observe Scott's exhibit-- exceptional leadership through some of the most challenging times that one can experience outside of warfare, incidents like bank shootings. I've been involved with upwards of a dozen fatality fires, and he has been involved with more. Plane accidents with fatalities, helicopter accidents with fatalities, tornadoes with fatalities, floods with major bridge damage, infrastructure damage with fatalities, and not to mention a hairy 30,000 gallon propane tank that was on fire that literally would have removed a quarter of the city of Norfolk, if it would have gone wrong, from the face of the earth. These are the big incidents, and there's countless other ones. In the fire division, I was on the operations side. There's two components. I'll remind you that Scott was on the preventions side. He still played a massive role in the operations side in all the incidents, and he was a welcomed addition. In 2015, I left Fire to become-- to work at the city administration building in Norfolk. While there, I got to see the exceptional leadership that's needed in those roles to have a successful organization. Scott is a natural-born leader. And he also came to administration to be the assistant city administrator and public safety director, where he was my supervisor until about a year and a half ago, when I was blessed with another opportunity to come work in a position beside his-- beside Scott. Our offices were adjoining. We spoke every day, multiple times a day. We would text when we were not working, on weekends and holidays. I, I routinely watched challenges after challenges come to Scott's threshold that only someone has been in that role can fully appreciate and understand. I have no doubt that you senators know exactly what I'm talking about. Seldom do the simple answers make it to your level, to this level. In positions like Scott's, just like yours, where the questions oftentimes have life-altering consequences for some, hard questions that keep you up, keep you up at night. I've watched that man never bury his head in the sand. But instead, he would attack those challenges head-on over and over again, regardless of the magnitude or the odds. Although the previously stated emergencies and tragedies, tragedies garner the headlines for media, the crises that I routinely watched Scott tackle from, from my career, the ones that take place behind closed doors, they don't take any less toll on an individ-- individual's heart or mind. And he has conquered these challenges and pandemonium, leaving a litany of success and friendship in his wake. There are two primary ele-- two primary elements to virtually every success story. First is the ability to successfully communicate. The second is the ability to form and

maintain relationships. Relationships are like bridges, and take years to build brick by brick and seconds to destroy from one's actions or emotion-based comments. No one understands that better than Scott. In my opinion, in my opinion, servant leadership style, leading from the front, not from afar, has proven itself to be the primary reason battles are won, businesses prosper and ironclad bonds, relationships and team-- builds teams forged in the fires of adversity. Anyone can lead a team to the gates of hell one time, but few can do it more than once. But that man right there is one of them, because I've seen it. I've been there. When the chips are down and you find yourself in harm's way is-- and that's when you need your friends the most. You find out who your friends truly are. The man-- excuse me-- the man will be standing there when you-- when the others have fled. I consider Scott a dear coworker, a beloved friend and a brother I could call upon, and I would know he would come running with the last breath in his lungs. And I'd be lying if I said there wasn't a piece of me that hopes he doesn't get appointed. Selfishly, for me, the city of Norfolk, we'd take him back in a heartbeat. But when the Governor comes knocking, asking for help with a higher calling to help more people across the great state, you'd be hard-pressed to show me anyone inside or outside of Nebraska that's in a better position with the right personality, with the right mindset to make the state proud, to make you proud, than that man right there. I'd entertain any questions that you have on the decision before you.

**BREWER:** All right. Thank you. Let's see if we have any questions for you. All right. Thank you for that testimony. Welcome to the Government Committee.

**LASH CHAFFIN:** Thank you. Good afternoon, Senator Brewer, members of the Government Committee. My name is Lash, L-a-s-h, Chaffin, C-h-a-f-f-i-n. I represent the League of Nebraska Municipalities. And I would like to offer the League's enthusiastic support of the nomination of Mr. Cordes. Over the years, Mr. Cordes has served on countless League working groups and committees and-- I found, I found it interesting that in his, his testimony, he said that he loved fire prevention. Well, interestingly, the-- I've worked with him on dozens of different kind of issues. First, it was fire prevention. I worked with him on building code issues. I've worked with him on ownersh-- infrastructure ownership issues. I've worked with him on city planning issues. I've worked with him in general management issues. And, and I, I guess what I've consistently found with Mr. Cordes over time is that he's very persistent, he's very well-informed and he views himself as a problem solver. And those are all, all qualities that I, I would like to see move forward-- I'd like to see him move forward as the

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fire marshal, and I'd like to continue to work with him in yet a different capacity as the State Fire Marshal, so. I would certainly answer any questions.

**BREWER:** All right. Thank you.

**LASH CHAFFIN:** Thank you.

**BREWER:** Questions. All right. Thank you again. OK. Any additional proponents? Is there anyone here in opposition? Is there anyone here in neutral? OK. We--

\_\_\_\_\_: Sorry. Could you say that again?

**BREWER:** OK. This is the watch, for the record here, that I have yet to figure out. It's usually a page's job. They come and show me how to make this thing not talk to me. All right. We're going to trust it's going to behave itself. OK. I need to read in. We have 6 proponents, 0 opponents and 0 in the neutral. And with that, we will close the appointment on Scott Cordes for State Fire Marshal. Now, we have a little different situation here with our next appointee. Julie Chung [SIC] is ill and-- so we're going to do a call-in. So we will go ahead and try and hook all that in and make sure it works. And for all you guys that came today to help Scott, appreciate it. You guys looked good. All right. OK. They're texting to make the connection here. [INAUDIBLE]. Yes. Or I will lose it. In the meantime, I will attempt to figure out this phone. [INAUDIBLE] the phone. All right. Jul-- Jan. Janet, are you with us?

**JANET CHUNG:** Hello?

**BREWER:** Hello there.

**JANET CHUNG:** This is Janet. Hi.

**BREWER:** Welcome to the Government Committee.

**JANET CHUNG:** Thank you.

**BREWER:** What we'll do, if you want-- everyone's here assembled. If you want to go ahead and give us your opening comments, then we'll see if we have questions for you. And that will just be kind of the sequence we're going to go with.

**JANET CHUNG:** All right. Thank you, Chair Brewer. Chair Brewer and the Government and Military and Veterans Committee-- Affairs Committee, my



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name is Janet Chung. That's spelled J-a-n-e-t C-h-u-n-g. I've been appointed to serve the Nebraska Accountability and Disclosure Commission by Secretary of State Robert Evnen. The commission handles campaign finance disclosures and administers and enforces the state's lobbying laws as set by the Nebraska Political Accountability and Disclosure Act. I have a background in commercial property management and telecommunications, managing people and operations, and I've worked in public power as an employee at Lincoln Electric System, helping customers with energy efficiency and coordinating community outreach activities. I'm currently a community volunteer. I serve on the Bryan Medical Center Board of Trustees here in Lincoln and the Journal Star Editorial Board, as well as the Community Action Partnership of Lancaster and Saunders County. I'm also a volunteer with Leadership Lincoln and the League of Women Voters for Lincoln in Lancaster County. I have a, I have a record of community service previously serving on the Board of Directors for Southeast Fire & Rescue Department, Leadership Lincoln, the Asian Community and Cultural Center and the American Red Cross. I've submitted a letter of support from former State Senator Marian Price on my behalf. I, I hope that, that you have received that. And I'm looking forward to continuing my service for the state of Nebraska on the NADC with the commissioners and with the NADC staff. I attended my first meeting last month, and I'm excited to do the work with the commission. Thank you for your consideration of my appointment. And I'm happy to answer any questions.

**BREWER:** Thank you, Janet. And, and so you know, we do have that letter. It has been handed out to all the members of the committee. So, thank you for that. And now we'll open it up, see if we have any questions. Questions?

**CONRAD:** I have one.

**BREWER:** Senator Conrad.

**CONRAD:** Thank you, Chair. Janet, can you hear me?

**JANET CHUNG:** Yes.

**CONRAD:** OK. Very good. It's nice to hear you-- I was going to say "see you--" but it's nice to, to hear your voice again. I just wanted to-- for consistency purposes, there was another Nebraskan who stepped forward to serve his state in a similar role on the Accountability and Disclosure Commission earlier in this session, and he had a fairly lengthy resume when it came to partisan engagement and involvement.

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And I gave that individual an opportunity to talk about their belief in how they would shift away perhaps from that partisan engagement or past in order to carry out their duties on the commission in a nonpartisan fashion. I know you also have a history of engagement in partisan politics in campaigns and wanted to afford you the same opportunity to talk about how you would carry out your duties on the commission in a nonpartisan fashion.

**JANET CHUNG:** So I have resigned my party positions that I held. I had recently signed a-- well, it was back in June. I, I had volunteered with a, a state party, and I resigned that position. And then I have obviously stepped back from the Lancaster County Democratic Party's activities that they've been doing. And I, I will say that I-- before I was involved with the Lancaster County Democratic Party, I, I, you know, was not involved in any politics at all. So I-- it, it will not be that far of a stretch for me to step away from the politics.

**CONRAD:** I, I appreciate that. Thank you, Janet. And do you feel that you'd be able to bring an unbiased approach to your work on the commission?

**JANET CHUNG:** Yes, I, I do. I, I believe that we should be working together more and not, not being as polarized as it seems like there has-- some of the activities has been. I-- my goal has always been to work across the aisle with people. So I, I believe that we should-- we are better when we're working together.

**CONRAD:** Thank you so much. Thanks, Chair.

**BREWER:** All right. Any additional questions for Jan? All right. Well, thank you for your opening and your information. And we'll go ahead and let you go, and we'll be notifying you after we have a chance to exec.

**JANET CHUNG:** All right. Thank you so much.

**BREWER:** Thank you. All right. Now, we will transition to our final appoint-- oh, I got to read in.

**DICK CLARK:** No. Testifiers.

**BREWER:** Oh. Yeah, I should let somebody testify, I guess. Who's here-- proponents for Jan? Are there any opponents? Is there anybody here in the neutral? See, it was like I was a visionary. OK. Then we will read in. We have 3 proponents, 0 opponents and 0 in the neutral. With that,

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we will close the, the hearing. And we will transition to Kenny Zoeller. Kenny, welcome to the Government Committee.

**KENNY ZOELLER:** Thank you, sir. Good afternoon, Chairman Brewer and members of the Government, Military and Veterans Affairs Committee. My name is Kenny Zoeller. That is spelled K-e-n-n-y Z-o-e-l-l-e-r. And I'm seeking confirmation as the director of the Governor's Policy Research Office. I want to first say that it is an honor to be appointed by Governor Jim Pillen to serve in this role. Among many things, the Governor's Policy Research Office is primarily charged by the Legislature to encourage the coordination, inquiry and development of policy in the state of Nebraska. I believe that my experience allows me to be successful in this charge. I'm originally from Houston, Texas, where I found, found my way to Nebraska through Concordia University in Nebraska, in Seward, where I graduated with a bachelor's degree in history. Over the past decade, I've dedicated my professional career to the areas of public service, policy and the political arena. I've continued my educational pursuits through the University of Nebraska-Omaha, where I've received a graduate certificate in public management, and I'm currently enrolled in their School of Public Administration, pursuing a master's degree in public administration. It is my goal that the Governor's Policy Research Office utilizes a collaborative and transparent process to implement Governor Pillen's policy vision. I am also committed to our office working with all stakeholders in the legislative process, including the citizens of Nebraska, the legislative and judicial branches of government, executive branch agencies and associations that represent Nebraskans. While I have been appointed as the director, I cannot do this job without my team that has also been called to serve in the Pillen administration. I am grateful for their contributions to the state, and I would like to take a moment to name them along with the issue areas in which they advise the Governor: Maureen Larson, who advises the Governor in health and human services, business and labor and urban affairs; Cicely Wardyn, who advises the Governor in agriculture, natural resources and general affairs, Grant Latimer, who advises the Governor in education, government, military and veterans affairs; Dustin Antonello, who advises the Governor on transportation, telecommunications and judiciary. These-- the issue areas in which I currently advise the Governor include revenue, banking, commerce and insurance and retirement. If you or your offices have any questions about the Governor's stance within any of those issue areas, please do not hesitate to contact our office and we will work to respond to your requests. Once again, it is an honor to serve Nebraskans, and I look forward to working with each of you as we strive to continue to make

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Nebraska the best place in the world to live, work and raise a family. I'd be happy to answer any questions you may have at this time. Thank you.

**BREWER:** All right. Thank you, Kenny. Let's see if we don't questions for you. Questions for Kenny? Yes, Senator Conrad.

**CONRAD:** Hi, Mr. Zoeller. Thanks for being here.

**KENNY ZOELLER:** Thank you.

**CONRAD:** Thank you, Chair. I know that we all find different pathways to public service, and sometimes those initial experiences come through partisan endeavors. And I think that may have been the case for you in that abbreviated resume. But tell me just a little bit more specifically about the leadership lens and style that you would bring to this position, if confirmed, to divorce yourself from a partisan approach towards a service-minded approach.

**KENNY ZOELLER:** That's a great question. So, first, just kind of want to, I guess, give my experience and how I got involved into the public policy realm. At Concordia University in Seward, one of my dormmates, Brian [PHONETIC] Heidemann, his dad was a state senator. One night, we came down to Lincoln to get dinner and Brian [PHONETIC] said, my dad's working late and he'd like to come get dinner with us. And so it was about three of us, along with Senator-- former Lieutenant Governor, but Senator Lavon Heidemann. And we had dinner for about an hour and a half, and he came in and explained his job as Appropriations Chair. And I just started asking him a whole bunch of questions. And then he basically said, you know what, Kenny? You sound like you're interested in policy and politics. Be more than happy to bring you in the Legislature for a day to shadow me. Unfortunately, I decided to take him up on that-- not, not one day, but did it about 45 times between 2010 to 2012, and really just got addicted to not only the Nebraska Legislature, but serving the public. He really took time to take me not only on the floor of the Legislature, but in Appropriations Committee, explained the process and really showed that, you know, serving in a public policy realm, in a political realm can really affect any, any person's life and, and allowed myself to really get interested in, in that role and also really kind of put a fire in my stomach, not only to serve the public, but potentially run for office. So after that, decided to run for city council in Seward, where I lost by 16 votes. Not that I remember it at all, but that was 2012. And then after that, just applied for various different positions, both in the political realm on campaigns at the State Republican Party but

also to work in Nebraska Legislature and the Governor's Policy Research Office as well. So, hopefully that answered your question. And how I divorce myself from partisan politics-- you know, to be honest, Senator, I do serve a Governor who is in a partisan position as a, a Conservative Republican who makes no bones about his positions from a public standpoint. But he has also demonstrated the ability to work with all individuals, all members across the political spectrum and political aisle. So it'd be my hope that we would be able to continue to work with the Nebraska Legislature on specific issues that everyone can find win-wins on. And if there's areas that we disagree, so be it, but we can do it respectfully and, and still have the ability to have those conversations to serve the public the best way possible.

**CONRAD:** OK. Thank you so much. And how long were you serving in your role as the director of the Nebraska Republican Party?

**KENNY ZOELLER:** I believe right around two years.

**CONRAD:** OK. And about how many employees did you manage in that role, generally speaking?

**KENNY ZOELLER:** Generally speaking, it was two full-time employees. And then we had interns come in and out, around 10 people at a time.

**CONRAD:** Tell me a little bit about your management and experience and style and challenges that you encountered during that time. What kind of a manager would you say you are? Because you will not only have a leading voice in policy deliberations, but you're also a manager of, of a team. So I think it's instructive in that regard. So if one of your employees demonstrated unprofessional behaviors when you were at the Nebraska GOP as their executive director, what was the actions and processes that you took to address that?

**KENNY ZOELLER:** So it depend-- it would-- I mean, frankly, it would depend on the action itself. But I would always try to take a managerial approach as a teacher and invest in individuals and especially as the role of the state party and really, frankly, any campaign. Oftentimes, you're dealing with individuals who are on the younger side of their employment spectrum; so college-age individuals or individuals who are just freshly out of college. So if someone ever made a mistake, we'd work to coach them on that mistake, explain why that mistake was incorrect and then move on. At the same token, make sure that they've-- if they continue to make that mistake, that

disciplinary action, whether that's continued coaching or release of employment, would be the next steps after that.

**CONRAD:** So to put a finer point on it, during the course of your tenure, your organization employed an unpaid intern that posted a series of anti-Jewish, homophobic and racist posts on social media. One of those in particular you were aware of because you asked the young person to remove the post. Can you tell us more about that?

**KENNY ZOELLER:** Yeah, absolutely. I'd be more than happy to read the post, actually, right now that he posted.

**CONRAD:** I'm most interested in what your management experience and style was.

**KENNY ZOELLER:** So-- absolutely. So the post that I coached him on and I was aware of at the time was specifically this: the U.S. should treat Israel as we do with any other nation, and particularly probably less due to their illegal nuclear arsenal, their aggressive spying campaign against us and then telling our military technology-- and then selling our military technology to foreign countries. Cut all for-- cut all foreign aid. America first. So that individual specifically posted that. That was the only post that I was aware of at the time. If I would have known the other posts that were being done on a secret website-- not necessarily a secret website, but a website that had anonymity, he would have been immediately fired. But for this specific post, I brought him in, told him that, while that could be your political belief and political ideology, that is not the political belief of the Nebraska Republican Party, nor is that the, the stance that our party has taken. And even as an unpaid intern, you'll-- you should be promoting the stances that our party is taking. So I asked him to remove the post, which he did. And from then on, I did not experience any specific issue related to that incident again.

**CONRAD:** And then later, when you found out that there were additional hateful, harmful, discriminatory messages that this individual had put out, you immediately fired them, or what was the timeline there?

**KENNY ZOELLER:** So I did not find out about those messages or posts until I was hired by the Department of Administrative Services, I believe in January of 2019 when-- I can't remember the exact group or blog that posted it. But when that group-- I think Seeing Red was the one-- posted it, that's when I first knew about or learned about those anti-Semitic posts.

**CONRAD:** OK. Appreciate you clearing up the timeline. That wasn't fresh in my memory, nor from the news reports. Obviously, when you have a leadership role in a partisan organization, you have to be a fierce partisan advocate. That's kind of part of the job description. I think we're all aware of how these organizations work. And that can create some, I think, hurdles to forging good relationships in a broader political dynamic. Looking back through some of the comments that you've made during that time as chair of the Nebraska GOP, you called people, like my colleague, Senator Raybould, "radical." How do you plan to work with Senator Raybould after making statements like that about her commitment to public service?

**KENNY ZOELLER:** I plan to continue-- or, to work with Senator Raybould on issues that we agree upon and be fully transparent about where the Governor is at on issues and look to meet with her in terms of areas where-- or for specific issues that she tells us that she can either support the Governor's agenda or not support, and continue to do it in a respectful way. And as you mentioned, from a political partisan standpoint, there are times when political actors make comments specific and units-- utilizing that type of language. However, you know, the great thing about the system of government that we have here in Nebraska, as well as the system of government that we have in this country, is that we do have the freedom of speech to make those comments. But at the same token, agree to disagree and work on issues that we can agree upon for the betterment of the public. So I do look forward to working with Senator Raybould, to working with you and all members of the Legislature on areas that we can agree on, and in areas that we can't agree on, to do it in a respectful way. So that, that's how I'd answer it.

**CONRAD:** OK. You also authorized and oversaw a host of partisan committee, committee-- or, campaign mailings against various and sundry candidates. Again, part and parcel with the job description for the role that you were in. But some went so far across the line that members of your party, like Theresa Thibodeau, called you out for the unprofessional tactics you were utilizing against Senator Machaela Cavanaugh. Would you like to respond to that?

**KENNY ZOELLER:** I would just say for every mailer that I was a part of during the Nebra-- during my time with the Nebraska Republican Party, we worked to cite the specific statements that we were making and that they were based in fact. And so in terms of the statements that were made against Machaela Cavanaugh, I cannot remember the specific mailers at this time. However, I can be assured that the statements that we were making were based in her policy areas, and it was our job

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from the State Republican Party standpoint to educate the voters. And, frankly, the voters decided that Senator Cavanaugh was best rep-- best positioned to represent the district, not only in 2018 but also recently here in 2022. So, what I am frankly happy and proud of is that, once again, we have a system of government where I can be involved in a political part-- in a political process, Senator Cavanaugh can be involved in the political process. We have those fierce debates. And, ultimately, the public and the people get to decide who best to represent them. And the people of District 6 have decided in 2018 and 2022 that Senator Cavanaugh best represents their interest to represent them here in Lincoln.

**CONRAD:** One thing I'll tell you that I'm concerned about is that some of these high-profile examples show a pattern and practice of calling names and sending out messages that cross the political line for leaders in your party against women who have a different point of view than you do. So when you encounter women who have a different point of view than you do, either in your office as their manager or working as a legislative liaison, which is part of your job, do you commit to this committee that you will not call names or cross lines to those women that you manage or that you're working with in this role?

**KENNY ZOELLER:** Absolutely.

**CONRAD:** OK. Thank you, Mr. Chair.

**BREWER:** All right. Any additional questions? Senator Raybould.

**RAYBOULD:** Thank you, Mr. Zoeller, for being here. I, I know that Senator Conrad asked you a lot of tough questions, but I think it's important going forward in the role that you not only represent the Governor, his team, and you also represent the state of Nebraska. And I know name-calling has no purpose or place in-- really, politics. It's-- it demeans the person who calls the name, and I-- I've said that before on the floor about name-calling. I feel pretty strongly about that. And then I guess my only concern is if, if you have a contrary position-- which, you know, we're all in politics and we can't always agree. But I guess I want a commitment from you going forward that you will do your research and your homework and, you know, certainly in being the, the GOP chairperson-- you know, you do a lot of opposition research, naturally. But I would, I would always think that you would really do due diligence and research before you even consider misrepresenting someone's record going forward.



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**KENNY ZOELLER:** Absolutely. And thank you, Senator, for those comments. You know, as I mentioned to Senator Conrad, you know, the, the actions I took-- and just for the record, I was executive director of the State Republican Party, not the chair-- not the elected chair. But the actions I took at, at the direction of the State Central Committee, along with the chairman at the time, we did our best to make sure that those actions were, were based in fact and were all meant to educate the public. Some, in terms of from a partisan political lens of electoral success, were better than others. But once again, the, the great thing we have about the system of government that we have today is that the public and the people ultimately get to decide who gets to represent them. So, you know, just like in your case, the people of District 28 have decided you are best charged to represent them and their interests here in Lincoln. And I'm just very, very excited to get to work with you moving forward on all different types of policy areas that we can agree upon and disagree on.

**RAYBOULD:** Thank you. But I, I do hope that, that, going forward, that you will be able to make your own decisions rather than relying on what people tell you about other people in the Legislature, myself included, and, and really check and, and verify my voting record on behalf of the districts that I've represented, the people in the city of Lincoln and the county that I've represented. So, thank you.

**KENNY ZOELLER:** Absolutely.

**BREWER:** All right. Additional questions?

**CONRAD:** Oh, I do.

**BREWER:** Yes, Senator Conrad.

**CONRAD:** One more. Thank you so much, Chair. And Mr. Zoeller, in preparing for this hearing today, did you reach out to members of this committee to foreshadow any questions, make an acquaintance?

**KENNY ZOELLER:** Not for this, not for this specific-- my confirmation hearing. But I have been in the process of talking and meeting with all-- working on meeting with all 49 members specific to the Governor's tax plan and the Governor's proposal. Frankly, when I took this job, fully transparent, I was unaware that I would have to be confirmed. But upon further research of our legal counsel, you know, taking a look at not only the way that we were interpreting the state constitution but as well as the statutes that have created the Policy Research Office, we ultimately made the decision that it's best

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appropriate for myself to be confirmed as an executive office created by the Legislature. That way, the Legislature could have a voice in terms of my position. So I bring that up because the Governor has taken a bold, audacious agenda, not only from education, finance reform, but tax cuts and, and a number of other different issue areas, which is why I've been primarily focused on those issue areas and working with the committees of jurisdiction that kind of fall within-- underneath that, and did not have the opportunity to reach out to this committee.

**CONRAD:** Appreciate that. Thank you. A quick follow-up on that. So is your administration's position that prior PRO directors who did not come before this Legislature for confirmation were serving without authority?

**KENNY ZOELLER:** No. From the research that I've been able to conduct, the previous three directors of the Governor's Policy Research Office, including Lauren Kintner, were confirmed by the Legislature.

**CONRAD:** OK. Thanks for clarifying that.

**KENNY ZOELLER:** Yup.

**CONRAD:** And then you mentioned that you were reaching out to all 49 state senators to push what you called Governor Pillen's audacious agenda. About how many members have you met with thus far, roughly speaking?

**KENNY ZOELLER:** Somewhere in the 30s, upper 30s.

**CONRAD:** And how did you go about selecting the order of those meetings?

**KENNY ZOELLER:** A lot of it has to deal with the issue areas that I'm charged with, as well as making sure-- for meetings-- for example, the meeting that we had a couple of weeks ago with yourself, Senator Cavanaugh and Senator Wayne, just making sure that I'm in there for any senators that I haven't had the opportunity yet. So if the Governor has a meeting on the calendar with those senators, I oftentimes like to go. That way, I can make an acquaintance in that way.

**CONRAD:** So I know one of the centerpieces of the Governor's agenda, which I actually think is kind of exciting, could find a lot of consensus across the political spectrum about, would be some of his

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ideas in regards to education. Have you been working on that? Have you been lead on that?

**KENNY ZOELLER:** I, I wouldn't say lead, but I have been working on that, myself--

**CONRAD:** Who is lead on that?

**KENNY ZOELLER:** From my office standpoint, I, I am the lead, but I hesitate to say lead because it's a collaborative effort between myself--

**CONRAD:** Understandable.

**KENNY ZOELLER:** --my team and then also Lee Will, the State Budget Director. But I have been taking lead in my office, yes.

**CONRAD:** OK. And then how many members of the Education Committee of this Legislature have you met with in regards to that plan in that leadership role?

**KENNY ZOELLER:** Counting in my head and trying to remember the members of the Education Committee. I think--

**CONRAD:** Happy to help with a prompt if, if helpful.

**KENNY ZOELLER:** I think six or seven so far.

**CONRAD:** So you, for example, haven't reached out to my office nor met with, with me in that regard.

**KENNY ZOELLER:** We're actually in the process of reaching out to all 49 state senators in terms of the finalization of what we believe is a plan that's agreed upon, both by equalized districts and unequalized districts. So we act-- we are in the process of reaching out to your office at this point. I don't know if your office has received a phone call yet, but we are in that process.

**CONRAD:** I think that's it for now. Thank you, Mr. Zoeller. Thank you, Mr. Chair.

**KENNY ZOELLER:** Yup. Thank you.

**BREWER:** OK. Any other questions? All right. Thank you for your testimony.

**KENNY ZOELLER:** Thank you.

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**CONRAD:** [INAUDIBLE] women that you disagree with.

**BREWER:** All right. We will start with the proponents. Anybody here as a proponent? Anybody here as an opponent? Anybody here in the neutral? All right. Do I have some letters to read in? Oh. So I don't have letters to read in. All right. So that will wrap up our appointments. And we will transition to LB9.

**BLOOD:** Clearing out the room.

**BREWER:** That's OK.

**BLOOD:** [INAUDIBLE].

**BREWER:** That's not a bad thing. All right. Welcome to the Government Committee.

**BLOOD:** Thank you, Chair Brewer and members of the Government, Military and Veterans Affairs Committee. My name is Senator Carol Blood. That is spelled C-a-r-o-l B-l-o-o-d. And I represent District 3, which is the western half of Bellevue and eastern Papillion, Nebraska. Thank you for the opportunity to bring forward LB9, that requires electioneering reporting for dark money in elections. So I am introducing this bill out of concern for the unregulated dark money contributions in Nebraska's elections. Dark money refers to political spending where the contributor or the amount given isn't disclosed, leaving voters and candidates literally in the dark as far as the group's origins or motives. The Citizens United ruling by the Supreme Court in 2010 allowed these organizations to give indiscriminately, providing that they do not directly coordinate with the actual candidates or their campaigns that they are supporting. Nebraska has seen an increase in spending in its elections, culminating in the 2022 cycle, with a record \$50 million spent by mid-June. The Governor's race alone accounted for \$29 million. The legislative races are more often reaching \$100,000 in spending or more. Dark money organizations have largely contributed to this increase in spending, with \$900,000 in the 2022 cycle. These dark money organizations are crowding out smaller donors and their voices while misrepresenting candidates and their platforms to voters without any accountability. Often, these dark money groups come from out of state and do not necessarily share Nebraskans' interests, but represent their own. Nebraska voters deserve to have a clear picture of who and what are funding the political content that they are exposed to. LB9 brings electoral transparency for Nebraska voters, making sure dark money organizations report who they are and the amount they are contributing to-- on NADC

filings. This includes any form of electioneering communication with voters. LB9 requires any of said contributions over \$1,000 has to be reported within two days to the NADC, with the exact amount, the candidate ballot initiative it was given to and the name of any individual giving to the electioneering communication that is over \$250. Failing to file the report results in a late filing fee of \$25 for each day that it is not filed. The fees would not exceed \$750. Dark money organizations have few regulations with their content. And essentially, as long as these political ads do not use the phrases "vote for," "vote against," they have carte blanche to use whatever language on a candidate issue that they so choose. As a result, these dark money organizations from all sides of the political spectrum, spectrum are able to influence voters with misinformation. Voters have been caught up in a muddying storm of misinformation weeks prior to election with political ads from organizations whose only intent is to create a detrimental effect on our state's elections and often on the character of the candidate. When we read the news, study data or even just talk to someone, we carefully consider the credibility of the source. Information from a source with an obvious bias is weighed in that context. When voters understand who the speaker or writer is, as well as what interest they have in persuading us, it gives Nebraskans a better understanding of why they're sending us a message and determine whether we should trust it. The decision is ours how to evaluate a source. But first, we have to know who that source is. Dark money hides the source and prevents voters from making an informed decision. Under existing law, when people or corporations honestly buy campaign ads, they must put their own name on those ads. But when wealthy special interests play games and transfer their money to other entities that, in turn, buy the ads, they can usually avoid disclosing what they're up to. This isn't a case of using your right to freedom of speech through how you spend your dollars. This is purposeful deception. When wealthy special interests outspend everybody else to elect the candidates of their choice and hide what they're doing behind shell corporations and innocent-sounding organizations, the promise of the First Amendment is gone and it is sullied. Public polling shows a majority of Americans want dark money out of their elections and believe it has a negative impact on the electoral process. It is important to note the dark money bill doesn't restrict free speech, but instead attempts to level the playing field for the Nebraska political donors and provide transparency and accountability for political contributions. And this bill is not a panacea to all the issues dark money presents, but at least it sheds light on those contributions and who is behind them. Candidates and voters should have knowledge of which interests are spending, of which interests are

spending for or against their policy preferences. Nebraskans have an inherent right to have public knowledge of where a contribution is coming from so they can make better informed decisions. Our state and the democratic process depends on such transparency. Other states are listening to their voters and are taking measures to crack down on dark money groups and requiring them to reveal their sources. Arizona, a state known for voting for both Democrats and Republicans, introduced Proposition 211, the Voters Right to Know Act, which saw 73 percent, 73 percent of Arizona voters support the bill, and passed overwhelmingly. Nationwide, Nebraska is one of the few states with no regulation, to have no restrictions on how campaigns are funded. 38 states currently have some limits on how much individuals can contribute. And 43 states limit donations from PACs. Like Arizona, Nebraska's dark money bill would likely see the same bipartisan support among voters from both ends of the political spectrum. Now, I'd like to point out today that I agree with Americans for Prosperity in their opposition letter that transparency is indeed good for government accountability and oversight. But to refer to dark money organizations as individuals is a play on words. And, as we all know, we are talking about big money and the donors that support their causes. To compare this to the NAACP lawsuit during Jim Crow is a poor comparison, as asking an organization for its member list is very different from a campaign contribution. Lastly, I want to talk about how this can affect a person's reputation and the ethics of trying to tear apart somebody's life or livelihood. Negative political attacks based on false accusations are far less likely when an organization has to answer questions from supporters, opponents and the press about them. When a source is hidden, it is never held accountable for false attacks or misstatements. So today, I'm guessing that you may hear the ridiculous pushback that donors need to be anonymous, as they may be harassed if their names are made public. To that, I have two responses. I don't see donors on the NADC reports from candidates campaigns being harassed. Why do they believe that this is going to be any different? And secondly, if they are worried about being harassed, maybe, just maybe, it's because they know that what they are doing is ethically wrong. And why should we cater to those concerns? This bill, once and for all, it deserves debate on the floor. It would be nice to see you all be brave enough today to hash this out, because it's wrong. It is wrong. It's unethical. It's big money taking away the vote of the people. And it's giving the message that as long as you have money, lots of money, you can pretty much do whatever the hell you want. And that's a bad message to voters. And no wonder so many feel apathetic or suspicious of the process. You know, I do not have a priority for this bill, but we have found several bills that are

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germane and offer us an opportunity to be amended into another bill. Friends, voters have the right to know who funds political campaigns in Nebraska. Today, you have power, great power, to decide once and for all if you are going to allow this to finally have a debate or continue to ignore this ever-growing problem that is ruining people's ability to garner the information that they need to make informed decisions on candidates. This is a disclosure law. It creates transparency. It doesn't pick winners and losers or limit what people can spend. And those types of laws, I believe, are exactly why we are in this body. With that, I thank you for your time today. And I am happy to answer any questions you may have. But I think I also have a few testifiers. And it looks like your first part went kind of long, so you make the call.

**BREWER:** OK. Well, I'll let the committee make the call. All right. Questions for Senator Blood? Questions for Senator Blood? All right. You'll stay around for close?

**BLOOD:** Yes, sir.

**BREWER:** All right. Thank you.

**BLOOD:** I think I'm the next bill up too.

**BREWER:** Oh, that's right. You better stick around for close, then. OK. We'll start with proponents to LB9. Proponents. Welcome to the Government Committee.

**JACK GOULD:** Thank you. Senator Brewer, members of the committee, my name is Jack Gould. That's J-a-c-k G-o-u-l-d. And I'm here representing Common Cause Nebraska. When I was coming here today, I realized that, first of all, I was going to have to sign a piece of paper here, or at least print a piece of paper, and it was going to have my name, my address, my phone number, my email address and the organization that I represent. And on top of that, you're recording every word I say. And you have these lights up here that are telling me when to start and when to stop. Now, I call that accountability. You guys have covered it. But there is a question for-- when it comes to elections, which Senator Blood is trying to address. There are those who want to stay anonymous, and they often put a lot of money into the last three weeks of a campaign. During which time, they launch all kinds of ads that can support, but often attack, candidates. And they are a threat, really, to our democracy. The reason that LB9 is out there is because it's setting some boundaries, the same kind of boundaries you have, the same kind of requirements

that you have on me. You're asking those who want to get involved in the political campaigns are going to have to be accountable. LB9 introduces a new word: it's electioneering communications. And electioneering communications are anything that refers to a ballot question or a candidate during the last 30 days of the election cycle. That's when the damage is done. The-- as was mentioned, the cost of the electioneering communication, when it exceeds \$1,000, the report must be filed with the Accountability and Disclosure Commission within two days of the ad. That's not an unreasonable request. The reports would include the name of the candidate or the ballot question, name, address, occupation, employer, place of business for each person contributing more than \$250 to the communication. Now, I know that's difficult to trace. There are organizations that don't disclose that kind of information and are very involved in attack ads. But there are opportunities when that will change. And you certainly as a group have the ability to amend this bill and make it a lot more account-- make others more accountable. I think that would be a courageous act, because the people who do these kinds of things really are cowards. They're hiding behind the disguise of some name like Trees of Liberty or Wonderful Americans, you know. They can come up with any name you want. I, I could come up with a few that wouldn't be so nice. But I think, I think that those groups are a real threat to not only candidates, but also a threat to our democracy. Continuing with what's required, you have to report the amount that was paid for the ad, the date that it was-- of the form. You have to describe the means of communication-- being a robocall, TV, radio, mailings. That would have to be disclosed. And the name and address of the person filing the report. Failure to report, as was mentioned, means that you could be charged with a class IV misdemeanor and you would be charged \$25 a day after the two days that you have to report. If you fail to report, you have \$25. And that's not unlike a lot of the filings that you guys have to deal with. I think I've got a yellow light. I'll take any questions if you have them.

**BREWER:** All right. Thank you, Jack. Senator Raybould.

**RAYBOULD:** Thank you, Mr. Gould. Have you seen other states implement similar type of legislation that Senator Blood is proposing?

**JACK GOULD:** Well, as Senator Blood said, I think there are a lot of states trying. The hard part is-- you know, I'll be quite honest with you-- 501(c)(4)s, who actually don't have to disclose their memberships-- make it very difficult because you-- it's hard to separate your membership from the donation. And that's, that's one of



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the biggest problems with this kind of disclosure. That doesn't make it any better, however.

**BREWER:** OK. Let's take and, and do a practical example--

**JACK GOULD:** OK.

**BREWER:** --so that we get a visual on this. So you're, you're thinking that the, the real issue comes in where they dump money late and the money is able to come in in a way so it's not visible-- I'm, I'm trying to-- because you, you don't want to get crosswise with the financial disclosure folks. And I always assumed that if you donate money, it's traceable. What you're saying is it goes to a, a third-party. So you're donating here, it comes here, and then here donates to the campaign, and that's how they're able to hide it? Is that--

**JACK GOULD:** Well, that happens. Yeah. If you were looking at that kind of an example-- and you could look at the group, like the Koch brothers, and they have their own what they call bank, and that group can take money and support an organization, like Trees of Liberty, who is very active in Iowa and attacking opponents to Joni Ernst within her own party. It was not outside the party. It was within her own party. And then what's interesting is that they decided-- they, they disappeared completely after the election. And suddenly, they reappeared in Colorado and they were launching their attacks from Colorado here in Nebraska. And they actually originated in Arlington, Virginia by a member of the Koch family organization. So you're right. The money can move from one person into a bank, into another, and that makes it extremely hard to follow. There's no question. But this is, this is really saying, in Nebraska, if we can trace it, then we can make the people accountable. And you can make that happen if you choose to amend the bill. I mean, we can, we can bring about greater accountability. It's just a matter of dealing with some of those groups that are great at hiding.

**BREWER:** OK. Let's see if we have any more questions. Any other questions for Jack? All right. Thank you for your testimony.

**JACK GOULD:** Thank you.

**BREWER:** Thanks for the handout. OK. We're looking at additional proponents to LB9. Welcome back to the Government Committee.

**SHERI ST. CLAIR:** Thank you, Senators. I am Sheri St. Clair, S-h-e-r-i S-t. C-l-a-i-r. Testifying on behalf of the League of, League of Women

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Voters of Nebraska in support of LB9. We've testified in the past. The League believes that the methods of financing political campaigns should enhance political equality for all citizens, ensure maximum participation by citizens in the process, protect represented democracy from being distorted by big spending, provide voters sufficient information about candidates and campaign issues to make informed choices, ensure transparency and the public's right to know who is using the money to influence elections, enable candidates to compete equitably for public office, ensure that candidates have sufficient funds to communicate their messages to the public and combat corruption and undue influence in government. As recently as January of this year, Nebraska again experienced outside influence on a political stance by a Conservative alliance called the Liberty Initiative Fund. This is a group that's based in Virginia. This was the most recent example of electioneering communications received in the state, which we got a lot of them last year. The Liberty Initiative Fund sent out postcards in opposition to a proposal to increase term limits. Most of these communications, as you know, are meant to elicit strong emotional reactions rather than presenting nonpartisan information on issues that affect our state. The influence of, of moneys going towards ballot initiatives that determine the future of Nebraska elections last year was astronomical. LB9 will work to address this issue for not only communications but also independent expenditures for candidates and ballot initiatives. the League works to ensure transparency in election funding. When mailboxes, airwaves and signature gatherings are inundating us at every turn during election cycles, we feel that transparency must exist. Nebraskans have the right to know who is funding these communications and activities to independently determine why these groups are influencing particular initiatives. LB9 addresses these concerns and should be advanced for full floor debate.

**BREWER:** All right. Thank you, Sheri. All right. Let's see if we have questions for you. Questions? Yes, Senator Raybould.

**RAYBOULD:** Thank you, Ms. St. Claire, for always being here and giving us an education. So the same question applies that I asked Mr. Gould. Are you seeing other leagues across the, the United States advocating for these same type of transparency and communications?

**SHERI ST. CLAIR:** Yes. Essentially, this first paragraph is right out of the League-- the National League's issue-- impact on issues policies that we put out.

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**RAYBOULD:** So what do you think are some of the impediments that you see?

**SHERI ST. CLAIR:** You know, it's hard to turn down money, I think, when you're running for office. And, unfortunately-- you know, we heard this last week, even in races like the NPPD. The amount of money that's thrown at seemingly nonpartisan issues is really becoming a problem. And we don't always know as a voter who's funding this and what their real agenda is behind these things.

**RAYBOULD:** So have, have you seen this kind of creep into school boards as well and--

**SHERI ST. CLAIR:** Well, you have to wonder when you get a lot of postcards from varying people who-- where the money is coming from at all lev-- at all levels anymore. So, yes.

**RAYBOULD:** Thank you.

**BREWER:** That was a good example you gave with the postcards that were sent out. I'm, I'm one of the recipients of those, so. And I, I don't get too excited about when the cards come in, but I did look at who sent it. And, of course, it's a name on a card. It's hard to take that and correlate that to anybody. It's somebody who decided that they didn't approve of how you saw things. And they sent the whole world a postcard to tell them about it. So that was a great example.

**SHERI ST. CLAIR:** Indeed. Thank you.

**BREWER:** OK. Other questions? All right. Thank you for your testimony.

**SHERI ST. CLAIR:** Thank you.

**BREWER:** OK. Additional proponents to LB9? Welcome to the Government Committee.

**KATE HIGH:** Hello. Good afternoon, Chairman Brewer and committee members. My name is Kate High. My first name is spelled K-a-t-e. Last name is H-i-g-h. I live in Lincoln. I'm here today in support of LB9. I'm going to read a quote from a famous American and see if you can identify who it is. Is this person Republican, Democrat, living or dead, male or female? Here goes. "Requiring people to stand up in public for their political acts fosters civic courage, without which democracy is doomed. For my part, I do not look forward to a society which, thanks to the Supreme Court, campaigns anonymously, hidden from public scrutiny and protected from the accountability of criticism.

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This does not resemble the home of the brave." Guesses? This person was Justice Antonin Scalia, probably one of the most Conservative justices to serve on the Supreme Court. Nebraska is careening from election to election, bombarded by unprecedented levels of secret money. The Nebraska Unicameral, starting with this committee, has the power to improve disclosure, but so far has failed to act, leaving the door open for millions of dollars to flow through dark money groups through each election cycle. If Justice Scalia were alive today, it is likely he would be disgusted by these secret donors' lack of courage. I believe we should all share his concern that the democracy he held so dear may be doomed if voters don't have the information they need to hold the powerful accountable. This committee has the power today to support Justice Scalia and his legacy and hope for campaign finance reform. Most states, including many of our neighboring states and the federal government, have already passed similar legislation. Polls have shown that we Americans want dark money out of our political system. The sooner, the better. I ask for your support of LB9 and commend Senator Blood for introducing this bill. It is high time Nebraska takes action to protect our political system. Thank you.

**BREWER:** All right. Thank you. Questions? OK. Yes, Senator Raybould.

**RAYBOULD:** Thank you, Ms. High, for being here. I know you have been a, a scholar of dark money for quite some time. So do you have any better understanding of why people, I guess, gravitate towards negative ads and latch on to that last ad they saw and that's what they remember?

**KATE HIGH:** I think people have-- react more strongly to negative advertising than positive advertising. And I believe they're, they're very psychologically well-done, and they, they can make a big impression on people. So people have this idea of what they want, better schools or hospitals or better taxes. But all of a sudden, in the last 30 days, people can cloud those, those beliefs and they can get very frightened very easily. And it takes a while to get that all cleared out. But, oh, the election is over. I, I-- it-- I think they're very carefully drawn and they're cynical. And I think if people had to come forward and say who they were that was actually promoting these lies and really disgusting lies, they would be less reluctant to put their name on it.

**RAYBOULD:** So it seems like these hit-and-run pieces, by the time that you're required to actually report, the election's over and done with, nobody cares, you know. The damage was effective, you know. You've--

**KATE HIGH:** The damage is done.

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**RAYBOULD:** --smeared that person's reputation. Yeah.

**KATE HIGH:** But the real damage is-- somebody might be hurt because they didn't get the election, but the real damage is to our political system because we're-- the-- this dark money corrupts our entire political system because it upsets people's normal democratic instincts of who they want to have elected. You can-- if you can just interfere with that in the last few weeks of the election, then, then it's done. All this other work and all this other stuff just doesn't count.

**RAYBOULD:** So, say a, a contributor, donor gives this money early in the campaign cycle and then, and then towards the end they launch these hit pieces.

**KATE HIGH:** I know that Senator Jerry Johnson was a victim of dark money attacks. And I was talking to his wife one time, who was very involved in this campaign, and there was just this deluge of, of postcards that went out in the final days of the election. And they wanted to counter it. And I asked her how much it would take to send another postcard. And she said to get one to the households in their district would have run about \$15,000, and there were seven postcards. Well, most people don't-- most people running for Legislature here in Nebraska don't have that much money sitting in their campaign treasury. And it's my understanding printers and mailers don't take credit cards from political candidates. I mean, you got to have the money or you, you don't-- you're just dead in the water. And so if you don't have a well-stocked campaign-- so some people have said this has driven up the amount of money that candidates raise right now because they feel like they have to have enough in reserve. So if they get hit with one of these-- big deluge of dark money, they're going to be ready for it. So it has this-- unintended consequences of just forcing people, a lot of times, to big donors. Where's the-- where, where can I get a quick-- a lot of money?

**RAYBOULD:** Thank you very much.

**BREWER:** OK. Any additional questions? All right. Thank you. OK. Additional proponents to LB9? Frank, welcome back to the Government Committee.

**FRANK DALEY:** Thank you very much, Chairman Brewer. Chairman Brewer and members of the Mili-- Government, Military and Veterans Affairs Committee, my name is Frank Daley, D-a-l-e-y. I serve as the executive director of the Nebraska Accountability and Disclosure Commission, and

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I'm here today to express the commission's support for LB9. This is, by my count, the, the seventh appearance of this bill before the committee, but we're back again because we still think it's a good bill which addresses an important gap in Nebraska's campaign finance disclosure law. This bill requires the reporting of money spent for electioneering communications. And maybe the best way to explain that concept and answer Senator Brewer's question is with an example. A number of years ago, a mailer came out a couple of days before the election, and it said something to the effect, Senator Jones voted to raise the gasoline tax. And it had a picture of someone who was supposed to be Senator Jones holding a gas nozzle that looked like a gun and a hairy taxpayer with his hands up. And it ended with the admonition, call Senator Jones and tell him that Nebraskans don't need higher gasoline taxes. This was sent out right before the election. The recipients assumed that it was a campaign ad. The candidate, Senator Jones, thought it was a campaign ad. The folks that sent it out assumed that it would have an effect on the campaign, on the voters' decisions a few days later. The gasoline tax in question had been voted on two years earlier. And so everybody in the world thought that this was a campaign ad except for the U.S. Supreme Court. And the U.S. Supreme Court essentially was taking the position over the years that it didn't say "vote for." It didn't say "vote against." It didn't say that Senator Jones was a candidate. It did not say that there was an election coming up. The Supreme Court would look at this and say, this is an ad about raising gasoline taxes and not a campaign ad. Now, the Supreme Court has also said, however, that you can pull these types of ads into the campaign finance disclosure realm if you narrowly tailor it. And back in 2002, the federal government did that with the Bipartisan Campaign Reform Act. That act was challenged. That provision was challenged. And in the case of McConnell versus the Federal Election Commission, the U.S. Supreme Court said having disclosure of these issue ads is permissible if it's done within a very, very narrow time frame. And in those days, they said 60 days was adequate. The bill calls for 30 days. And there were some other features. So that was one of those situations in which the Supreme Court made a ruling, but there was legislation that was in conformity with the ruling. And so this has been in effect in the federal government for 20 years. And quite a number of states have something similar. But we don't regulate that. And so when you have those types of ads that come out right before the election, that creates some sort of image, good or bad, about a candidate, those are completely outside the jurisdiction of the commission. So LB9 defines an electioneering communication as a clearly-- as something which clearly identifies a candidate: Senator Jones. Is publicly distributed in the 30 days prior

to the election. OK. If it comes out the week before the election, it's there. And is directed to the electorate that's going to vote for that particular candidate or that particular ballot question. And so if it's going to the voters in Senator Jones's district, it qualifies. Under current law, corporations, unions, different types of entities file reports if they make campaign contributions or campaign expenditures. All this does under LB9, if it's an electioneering communication, it's reported in the same way. Individuals who make independent expenditures, supporting or opposing candidates report these things. And once again, they are reported in the same way if it's an electioneering communication. Basically, what everyone needs to know is that this doesn't prohibit anyone from saying anything. It doesn't prohibit anyone from espousing any idea or communicate it in any way. It simply requires those that are engaged in this type of activity intended to affect elections to disclose who they are, how much they're spending and who is the subject of their proceedings. I think that maybe the best way to describe it is this way: if I'm reading the Seward Independent and there's a letter to the editor alleging police brutality, it matters to me who's talking. If it's the local minister with an integrity-- with a reputation for honesty and integrity, I can evaluate that letter. If it's the ne'er-do-well who's always intoxicated and always in police custody, I can evaluate that letter. And I think that's part of the idea behind the disclosure of campaign expenditures. If we know where the money is coming from, we can evaluate something about the message. If it's from the Republicans, we can evaluate it. If it's from the Democrats, we can evaluate that. So, at any rate, this is a bill which requires a minimal amount of reporting from those who are intending to affect the vote in our electoral system. And so I think it's worthy of your support. I do want to thank Senator Blood for introducing this important piece of legislation. And I want to thank you for the opportunity to testify today.

**BREWER:** All right. Thank you, Frank. Will you be testifying on LB559 or LB737?

**FRANK DALEY:** Yes, I will.

**BREWER:** OK. Just double-checking before we let you out of our sight here. Senator Raybould.

**RAYBOULD:** Thank you, Mr. Daley. You know, you said it has been around seven times. It just seems like lucky seven. Let's roll the dice.

**FRANK DALEY:** I was hoping so.

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**RAYBOULD:** Yeah. It just seems like this would be your quintessential, nonpartisan piece of legislation that we could do a Kumbaya hug around and get out for a debate. It just seems-- like, why wouldn't we want transparency? Our-- we've been talking about transparency for, I don't know how many weeks, in this committee, and accountability. It just seems like a natural fit for all those people that have testified before us. What do you see are some of the impediments?

**FRANK DALEY:** Misunderstanding as to what this bill does or to what this is about.

**RAYBOULD:** OK. And so what do you suggest? You've been here quite a few years and you've seen just about everything under the sun in this Legislature. Tor-ture [PHONETIC]. How do you-- how do we better communicate why this is really good and that-- I think in-- Ms. St. Clair, Ms. High testified this is what Nebraskans support. What-- how can we be better about getting the message out?

**FRANK DALEY:** Hard question to answer.

**RAYBOULD:** Yeah.

**FRANK DALEY:** I don't know what goes on behind closed doors in the discussions, but I guess that the main thing I can offer is that I'm always available to answer questions about what this does, alternate ways to get to the same place, whatever it happens to be, assisting with the drafting of amendments or whatever it happens to be. More than happy to do that.

**RAYBOULD:** That's wonderful. So hopefully if, if this piece of legislation moves out of our committee and hopefully our colleagues that are not on this committee would be certainly open to reaching out to you. So this means we can call you at home too, right?

**FRANK DALEY:** You can. You can.

**RAYBOULD:** We can? OK. That's great. Well, thank you very much.

**BREWER:** All right. Additional questions for Frank? Yes, Senator Conrad.

**CONRAD:** Thank you, Chair. Thank you, Frank, for being here. We always appreciate your expertise. And we're, we're very, very sad about the days that we're counting until your departure as the head of the commission. But, you know, I did just a really quick Google search-- and I know how dangerous that can be to trying to ensure comprehensive



research and information-- but I just typed in, like, "top dark money groups." And it-- one website put forward, like, a host of kind of the-- and I think it's more on the federal level now. Some of theirs-- those correlate-- are going to correlate to the state level. Perhaps some are more geared toward federal elections. But just really quickly-- I won't read the full list, but kind of the, the top 10: Wellspring Committee, Judicial Crisis Network, Ending Spending, U.S. Chamber of Commerce, Crossroads GPS, Americans for Prosperity, NRA, League of Conservation Voters, League of Realtors, Planned Parenthood, VoteVets Action Fund. So these are, like-- and there's a pretty big disparity between the hundreds of million in dark money they spend or singular millions in dark money they spend, but-- that's an, A, a lot of money and a pretty diverse set of stakeholder interest groups kind of across the political spectrum there. So I guess what I'm trying to get a handle on is kind of one thing a bit more technical. How does this work for groups that are not organized in Nebraska, so to speak? Because there's challenges with regulating national groups, out-of-state groups. Can you help us get a little bit better understanding about that piece?

**FRANK DALEY:** And you have touched upon our challenge. Because certainly, it is always an issue trying to pull out-of-state groups that legitimately make campaign contributions in this state to file reports if necessary. Obviously, one of the difficulties would be if you've got a group that's located completely out of state and has no presence in Nebraska. I doubt they're going to be impressed if the Accountability and Disclosure Commission shows up to their door in Falls Church, Virginia, knocking on the door, saying, we want to see your books.

**CONRAD:** Yes.

**FRANK DALEY:** But there are a number of these groups that we would probably have trouble getting jurisdiction over. But if there's a law that says they need to do something, they will. And that's, that's an interesting thing I've found. It is a regular feature of my day-to-day calls from attorneys in Washington, D.C., or Los Angeles, California or other places. I've got a client wants to know if they make a contribution in Nebraska, what is it that they have to do. And regularly get calls from different groups and organizations that say, are we allowed to make contributions in Nebraska? If we do, what do we have to do? They ask about grassroots lobbying and a wide variety of things like that. So I think most groups would comply if there was a law that they-- that said they had to comply. And part of the reason is that they operate on the federal level and in many states. And as

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they develop, they want to develop a reputation for being law-abiding, if you will. So there will be rogues out there. There are rogues out there now that we can't pull in even if they make campaign contributions. But that's not a reason for not having some sort of law that requires reporting, because I think most people will do it if it's on the books.

**CONRAD:** OK. That, that-- the jurisdictional piece was one thing that I was kind of trying to think through. And then I do have some First Amendment concerns, but we'll continue to talk about those, I think, as the committee and with Senator Blood as well. But help me understand just a little bit about how the current Nebraska law works, because we have some of these dark money groups operating right here in Nebraska. League of Conservation Voters, right? According to this list, they're a top dark money group that I think Senator Bostar is associated with. They report to you. They make regular reports to your office. So how does this law change what they're currently doing?

**FRANK DALEY:** For those groups that are currently reporting, it's probably not going to change anything at all.

**CONRAD:** OK.

**FRANK DALEY:** So if you are a political action committee, well, you can only make political contributions, so you're not making electioneering communications. If you are a corporation and you're making political contributions, you file one of those B-7 reports 10 days after the end of the month in which the contribution is made. If you're a corporation that is making electioneering communications under this bill, you would file a B-7 report 10 days after the end of the month in which the contribution is made. So of the things that different individuals and different groups have to report, what's simply added is these electioneering communications. Now, what I think will happen if something like this were to pass, or some version, it would pull in some additional people. Maybe corporations or groups that don't file any reports because they never really make campaign contributions or campaign expenditures. They do electioneering communications. And there have been a number of groups that have been, been doing that over the years. And in fairness-- I don't want to demonize them, but some of them actually call on a regular ba-- hey, has the law changed? Do I have to report anything yet? Here's what I'm going to do. And that's why I have at least some level of confidence that if there's a law on the books, a lot of those groups will report without much of a problem. Then at least the public can see that, oh, here's an entity that spent money doing an issue ad on Senator Jones or doing an issue

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ad on marijuana without making reference to the ballot question that-- or the initiative petition that's circulating, things of that nature. Brings them into the reporting orbit.

**CONRAD:** Right. No, that's very helpful. Thank you so much.

**BREWER:** All right. Additional questions for Frank? All right. Thank you, sir, for your testimony.

**FRANK DALEY:** Thank you, Senators.

**BREWER:** We are still on proponents to LB9. Seeing none. We'll go to opponents to LB9. Anybody here in the neutral for LB9? All right. We will ask Senator Blood to come back up. And I need to read into the record. We have 8 proponents, 4 opponents, and 0 in the neutral. Senator Blood, welcome back.

**BLOOD:** Thank you, Chair. So I am going to close and I'm going to add in a little levity because you look like you all could use some levity today. You know, when I ran for reelection for the Legislature, there was dark money involved. And the last 30 days, there were those beautiful, great, big postcards with all the colors. I mean, those must cost a fortune. I never send those out, so I don't know how much they cost. And there are, like, 12 or 15 that went out. And I started getting calls. Stop sending postcards to me, Carol. I'm already voting for you. And I started looking at my postcards that I was getting from my opponent and realized that they'd use such awesome pictures of me that people just assumed they are from me. So kudos for them for not being able to find really horrible pictures on those postcards. But then the TV ads came out. Carol Blood wants to steal your firstborn child, or whatever. See? You guys need to laugh today. It has been a long day. And we can lau-- I can laugh about it. And I laughed about it when it happened because it was ridiculous. But in our hearts, we know when that happens, not everybody is an informed voter. And you can say, well, shame on them for not being informed. Well, how can you be informed when you don't know the source? This is, I believe, the seventh time. It has been tweaked since the very first time to accommodate ACLU and other organizations. And I read through the transcripts of all of those hearings because, apparently, I was bored one day. And I remember Senator Halloran talking about, well, it happens on both sides. Absolutely. It happens on both sides. And it's wrong for both sides or three sides or whatever sides to be doing it. We always hear about the First Amendment rights. And I am certainly not a person who can get into that discussion because I'm not as well-versed as Senator Conrad or others. Yes, you have the right to

vote with your dollars, to use your dollars as your free speech. But when you use deception, to me, that's the line. When you use deception, then is it still about your First Amendment rights? I look across the state and I look at how you actually ruin people's reputations when you do this. And there, there is no thought given to how that hurts them or their families. And people just say, well, that person shouldn't get into politics if they can't take the heat. Well, when did politics become about that? It used to be that when you stepped up to the plate, it was because-- not always-- but it was because you want to do something good for your community, that you, you can see a better Nebraska and you think you have something to contribute. Now, granted, politics looks very different than when Senator Halloran and I grew up in the Hastings area. It has become quite dirty, quite aggressive, quite damaging, and we don't seem to care. And that's not something that I personally can live with. I don't think anybody, regardless of their party, should utilize that process to win. And when we do that, we take away the voice of the voters because we, again, are showing them that big money has a more important vote than your one vote. We cannot keep putting out the BS about transparency and ethics and keep ignoring this bill. I mean, if you don't like this bill, wouldn't you love to see me sink and die on the, on the floor? I mean, give me that opportunity. Like, I can take it. It wouldn't be the first time I've lost something, especially recently. But, but the point being is that you guys don't even give us the opportunity to debate it. That's not right. Because you know darn good and well, if we put this on the ballot, what would happen. It's the same thing that happened in Arizona. Even if the big money came in. Because people no longer trust government, and dark money is one of the reasons why. And you might say, well, you know, it's really working. It's helping a lot of campaigns, people get across the finish line. Yeah, and usually they're pretty crappy senators when they get here. No offense to anybody that thinks I'm talking at them. That is not, like, directed at anybody. But when you buy your way in, is that really the voice of the people or is that the voice of big money? So with that, I'd be happy to take any questions, but I feel like-- I could hear Frank Daley talk all day long. Like, I want to get, like, an audiobook and drive back and forth between Bellevue. But I do appreciate your opportunity. I know that I brought this last biennium, but that's because I feel strongly about it. I really do, guys. And, you know, I have one question-- and you don't-- I'm just putting it out to the universe-- aren't you guys sick and tired? Like, just sick and tired of all of it? Are you OK with how it has been going the last decade? Because I-- personally, I'm, I'm sick and tired of it, and I'm guessing I'm not the only one. So I really do hope you guys decide to,

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to talk about it, maybe vote it out. Like I said, we have found several bills that-- I've talked to other senators-- that we think are germane. And if anything, you kick it out and I'll make it my, my priority bill next year as a last hurrah, so.

**BREWER:** All right. Thank you. I went through to look to see on opponents, and I see that there's one from the ACLU.

**BLOOD:** Um-hum.

**BREWER:** You know, what, what would be their concern with it? Because I heard just a little bit earlier, and I'm just trying to put it, put it together to figure out where that--

**BLOOD:** Yeah. I think, the last time, they came out neutral, by the way, because we had tweaked it to accommodate them. And it's their jobs to make sure that we don't violate people's First Amendment rights, and I respect that. But again-- and that's a discussion that we're going to have to have, because Spike told me that they had done this. You have the right to use your money as a form of speech, freedom of speech. And what I say and what Arizona says and what other states that are working on this are saying that-- but if you're using deception as part of that, that First Amendment right, that that's when it stops being your First Amendment right. That's when you sully it. Now, to ask me beyond that and talk about the Constitution, I'd be the wrong person to do that. But that's my understanding. And I think, Senator Conrad, if you guys were to talk about it in exec, that she could give you a better description.

**BREWER:** No, I-- and I enjoy it because you get it to a level I can understand it, so I appreciate that. All right. Questions for Senator Blood on LB9? All right. Thank you. And--

**BLOOD:** My-- the next one.

**BREWER:** --we'll reset.

**BLOOD:** All right.

**BREWER:** You are up next with LB559. OK. [INAUDIBLE] to this one. OK. Whenever you're ready.

**BLOOD:** All right. So, good afternoon again to Chair Brewer and the entire Government Affairs Committee. My name is Senator Carol Blood, spelled C-a-r-o-l B-l-o-o-d, and I represent District 3, which is the western half of Bellevue and eastern Papillion, Nebraska. I appreciate

the opportunity to bring forward LB559, or the C-1 financial disclosure bill. LB599 [SIC-- LB559] provides more transparency for Nebraskans regarding financial interests of candidates and their elected officials. It requires mayoral and city council candidates of first-class cities to file C-1 forms, otherwise known as statements of financial interest forms. Included in the legislation is mandatory electronic filing on the NADC website for all who are currently required to complete this form. Now, it is important to note that it doesn't require officeholders to disclose specific income, but just their financial interests. Currently, only mayoral and city council candidates of Omaha and Lincoln are required to fill out C-1 forms, along with the members of the Legislature, Governor, Attorney General, Secretary of State and any elected county official. There is also a very long list that I just handed out to you, a-- and seemingly random list of others who [INAUDIBLE] this report. And I think Frank Daley can explain the process of how they got to that list, but it's kind of odd. Previously, mayors and city officials of first-class cities have not been required to disclose financial interests, but LB559 would change this in order to bring transparency to possible conflicts of interest when involved in public policy. If we hold some candidates to these expectations, we should hold as many elected officials as possible accountable to possible conflicts of int-- of financial interests. Pushing forward actions such as this helps to restore faith in our government because we show that we want to be transparent and have the information easily accessible to our constituents. LB559 will have the aforementioned officials complete an NADC statement for financial interest for the preceding calendar year before March 1 of each year-- just like we do, by the way. LB599 [SIC-- LB559] would require candidates or elected officials to file a statement electronically with the NADC. The content, or what is disclosed on these forms, includes associations with any businesses or financial institutions, gifts, loans from relatives or financial institutions for businesses, et cetera. Gifts from individuals over \$100 would be reported to the best of the candidate's knowledge as well. So we have been made aware of opposition to this bill, primarily out of concern that the new requirement for many of these elected officials will forget to file or create a burdensome fine or fee. But we have been assured by the NADC that reminders are sent, that reminders are sent before the March 1 deadline to the treasurer or the candidate's email if they are handling the filing themselves. Also, there are no automatic filing fees for late C-1 statement disclosures. And after 30 days, the NADC would issue reminder letters to candidates and elected officials to file their C-1 statements. The NADC is simply seeking the disclosure statements and not aiming to incur any gotcha fees. There

is plenty of time allotted for those included to fill out those forms in a timely manner. I don't know if you filled yours out, but mine took me, like, three minutes because I have no money, so. Roughly over a decade ago, similar legislation to this bill was introduced that would have required mayors and city councilman of first-class cities to disclose financial interests [INAUDIBLE] C-1 forms. And I believe it was Senator Erdman's son when he was a senator, by the way. And it was rejected mostly on the grounds that paperwork would have been overwhelming for NADC staff. This primary argument was negated when NADC went digital two years ago, and this information is instantly accessible and requires little data entry. This bill requires digital filing for C-1 forms so as not to create a fiscal burden for the state and put undue burden on NADC staff. In fact, it should reduce the amount of staff time needed to deal with paperwork when it's all done online. You may also hear today that the elected officials who are included in this bill are already required to file a conflict of interest form. This is only true when a public official has a con-- a potential conflict of interest if he or she is faced with taking an official action or making an official decision which may result in a financial benefit or a financial detriment to the public official or employee, a member of his or her immediate family or a business with, with which he or she is associated. The bottom line is no elected official in a major city, whether local, federal or statewide, should be exempt from disclosing potential conflicts of interest. Some of the most common political corruption can stem from city council members and mayors pushing for policies that benefit their personal financial interests and not disclosing their conflicts of interests. Elected officials in first-class cities in Nebraska need to operate on the same playing field as our federally elected and statewide officials and financial disclosure and be accountable to their constituents. Nebraskans expect our elected officials to operate ethically and fairly, and this is a step to add more transparency to this process. I look at this bill as an opportunity to streamline the work of the NADC and an opportunity to restore faith in the good works of local government. I appreciate your time and consideration of LB559. We do have several testifiers here today. And I believe Frank Daley stuck around. Some will be for and some will be against. But in respect to your time, anything technical I'd save for Frank.

**BREWER:** All right. Thank you. Let's see if we have any questions. All right. We'll save it all for the close.

**BLOOD:** I'll stay for the close, then.

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**BREWER:** Thank you. OK. We will start with proponents to LB559. Welcome back, Sheri.

**SHERI ST. CLAIR:** Thank you. Good afternoon again, Senators. Sheri St. Clair, S-h-e-r-i S-t. C-l-a-i-r. Testifying on behalf of the League of Women Voters of Nebraska in support of LB559. And as we've testified in the past, the League continues to work towards transparency in campaign finance to provide accountability for all elected officials. Hence, we support the added requirement for elected officials or a city of a primary class or a city of the first-class to file statements with the state's Accountability and Disclosure Commission. We also support the use of electronic filing of statements in order to both streamline the process and to help achieve greater transparency. The League's position on campaign finance reflects continuing concern for open and honest elections and maximum citizen participation in the political process. We urge the committee to advance LB559 for full floor debate.

**BREWER:** All right. Thank you. You cut right to the chase. You got it out there. All right. Questions for Sheri? Questions? All right. Thank you.

**SHERI ST. CLAIR:** Thank you.

**BREWER:** Gavin, welcome back.

**GAVIN GEIS:** Senator Brewer, members of the committee. My name is Gavin Geis. That's spelled G-a-v-i-n G-e-i-s. I am the executive director for Common Cause Nebraska. And we are testifying in support of LB559. As one of the few people-- not the few people, but one of the people who takes interest in financial-- statements of financial interest, this caught our attention. I believe personally that the people in these communities should have the same access to this information as I do living in Lincoln. It is a disservice to these communities to not allow these statements or not require these statements be filed of their elected representatives. And since it has not been mentioned, first-class cities are those with-- between 5,000 and 100,000 people. Looking through census data from 2020, that would include 28 communities in Nebraska. That would add 28 new board-- you know, city boards, mayors disclosing these, giving information to the communities in which they work. Namely-- chief amongst them, right? Big cities we're talking about here are Beatrice, Bellevue, Columbus, Fremont, Grand Island, Hastings, Kearney, Norfolk, North Platte, Papillion, Scottsbluff, South Sioux City, amongst many others. These are substantial communities. The people living in these communities



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deserve access to this information, just like I get it here, just like people in Omaha get it. Let's provide transparency and accountability for the people living in Greater Nebraska. I think that's only fair. Having said that, we encourage you to advance this to the floor for debate. Thank you.

**BREWER:** Gavin, you got that list of all 28 there?

**GAVIN GEIS:** I do.

**BREWER:** Is Broken Bow on there?

**GAVIN GEIS:** Let's see. Broken Bow does not quite qualify.

**BREWER:** OK.

**GAVIN GEIS:** Nope. It doesn't rea-- doesn't break the 5,000 number. I know.

**BREWER:** It's my biggest town. That's all I got. All right. Yes. Questions? Senator Raybould.

**RAYBOULD:** Mr. Geis, thank you for being here. Did you say that-- it-- you are required if you become a city--

**GAVIN GEIS:** Over 100,000.

**RAYBOULD:** Over 100,000. You're automatically--

**GAVIN GEIS:** Currently, we've-- you know, the metropolitan class, they are included in this disclosure. This would just include the first-class, so those 5,000 to 100,000 cities.

**RAYBOULD:** OK. And so then these additional 28 cities, you said--

**GAVIN GEIS:** Yes, 28.

**RAYBOULD:** --have to start reporting?

**GAVIN GEIS:** Would have start reporting, correct.

**RAYBOULD:** OK. And did they realize that or do they know that?

**GAVIN GEIS:** Not at this point, no. Not, not-- but I am sure they will be well, well-aware by the time it's required.

**RAYBOULD:** OK.

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**GAVIN GEIS:** Yes.

**RAYBOULD:** Thank you very much.

**GAVIN GEIS:** You're welcome.

**BREWER:** All right. Additional questions for Gavin? All right. Thank you for your testimony.

**GAVIN GEIS:** Thank you.

**BREWER:** All right, Frank. One more time around.

**FRANK DALEY:** Thank you, Chairman Brewer and members of the Government, Military and Veterans Affairs Committee. My name is Frank Daley, D-a-l-e-y. I serve as the executive director of the Nebraska Accountability and Disclosure Commission, and I am appearing today on behalf of the commission in support of LB559. LB559 does two things. First, it would require elected officials of cities of the first-class to file annual campaign-- or-- excuse me-- annual statements of financial interests. And secondly, it would require anyone filing these statements of financial interest to do so electronically. By my count, there are approximately 31 cities of the first-class in Nebraska. And by law, these are cities that may have populations of up to 100,000 people. So we've got Bellevue with 64,000 people and Grand Island with 53,000 people and Kearney with 50-- Kearney with 33,000 people. And we find that as populations grow, the matters appearing before these committees become more complex. And having a record of elected officials' financial holdings becomes more important so that conflicts of interest can be detected by members of the public and members of the media. Currently, elected officials of Omaha and Lincoln are required to file these statements of financial interests, as well as the elected officials of the 93 counties. So that is one of the reasons for supporting LB559. But you've got cities of substantial size now that it's important to have that information available to the public and to the media. The commission strongly supports that portion of LB559, that requires statements of financial interest to be filed electronically. And here are the reasons. First of all, it's good for the public. Filings that are made electronically are immediately available to the public on our website. And second, it's good for the filer. Our system helps filers avoid some of the most common mistakes that we see in statements of financial interests. They include inserting the wrong calendar year that's being reported or leaving blank spaces. Currently, when we get those statements on paper, they're incomplete. We can't accept them. We have to send them back.

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With our new electronic filing system, those that are filing electronically don't make those mistakes because the system prompts them to note that they left a blank space or that they have the wrong calendar year inserted. Also, one of the things that our electronic filing system does is it sends alerts to the fact that you have a filing coming up in the near future. It will also have alerts to the fact that you've missed your filing deadline and you need to get your filing in. With statements of financial interest, there are no automatic late filing fees. We send out a lot of letters to folks reminding them that they've missed their filing deadline and they need to get that in. We are interested in their disclosure statement, not in gotcha. And so we will send as many reminders as possible. Only if there's an absolute failure to file do we take any formal action. The other good thing about the electronic filing system is that once you've entered your first statement into the system, subsequent statements become very, very easy because you can just go into the system and add and delete items. So, subsequent statements become very, very easy. Third, it really is good for the, for the commission and its staff. We get about 3,000 of these things. And if we get them on paper, it is very, very labor intensive to get those logged in and updated into the system. As you can imagine, we get a backlog sometimes of paper filings at certain times of the year. And this can be kind of important because candidates that are applying to get their name on the ballot that are required to file these, part of the filing process is to file your statement of financial interests with Accountability and Disclosure, and election commissioners look at our website to see if those have been filed. If we've got a backlog of uploading paper files, that can cause some problems. So, at any rate, we want to be sure that this information is readily available to the public. The public expects it these days, not like the old days when everything was on paper. They expect it right away. This is part of the process of doing this. So please give this bill your serious consideration. Thank you for the opportunity to testify today. And thank you, Senator Blood, for introducing LB559.

**BREWER:** All right. Thank you, sir. All right, so we're going to put more burden on you. You're OK with that?

**FRANK DALEY:** Yes.

**BREWER:** All right.

**FRANK DALEY:** OK with it if we have electronic filing, because then it becomes not much of a burden.

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**BREWER:** And the electronic filing is part of the bill.

**FRANK DALEY:** Yes.

**BREWER:** So--

**FRANK DALEY:** This works out.

**BREWER:** All right. Questions? All right. Thank you for your testimony.

**FRANK DALEY:** Thank you very much, Senators.

**BREWER:** OK. Additional proponents? Is there anybody here as an opponent? Welcome to the Government Committee.

**CHRISTY ABRAHAM:** Thank you, Senator Brewer and members of the Government Committee. My name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m, here representing the League of Nebraska Municipalities. Thanks to Senator Blood for her explanation about this bill. You can tell she also explained all of my opposition to the bill probably better than I'm about to do it, but we're going to go over it again anyway. We're, we're raising this concern about having cities of the first-class file statements of financial interest. According to the League's count, there are 31 cities of the first-class in Nebraska: Kearney, of course; Bellevue. Very sophisticated cities, and I appreciate that. The thing is this bill also applies to our cities of the first-class who have a much lower population. Ogallala, for example, is one of our smallest cities in the first-class. So when you think about this bill, don't just think of sophisticated people in Kearney and Bellevue, but also think about the person who is going to file in Schuyler, Nebraska. And she may not be aware of this requirement. As I was reading information from the Accountability and Disclosure Commission, if you don't have this statement of interest on file, you cannot be placed on the ballot. So we have some concerns in these smaller communities. They may get there and wanting to file for these offices and then realize, oh my gosh. I haven't filed this document, so I can't have my name appear on the ballot. We struggle sometimes in our smaller communities to find people to run for these positions, so we just feel like this is one more hoop and one more hurdle that they'll have to overcome. And so that's why we are expressing our concerns. And again, Senator Blood probably did a better job than I'm going to. Cities-- city council mayors, they already have to file conflicts of interest statement. If they own the plumbing store in town and the city has a contract with the plumbing store, they have to file a conflict of interest and say, oh, I'm not

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going to vote on that because I have that financial interest in that business. So that is already in the state law to address those conflict of interest problems. We would like to say-- and we say this not just because we love Frank Daley. We are fine with the electronic filing portion of this bill. If this committee wants to move just that portion out of the bill, we're very happy with that. So I'm happy to take any questions that you might have.

**BREWER:** All right. So I'm going to quote from you here. You're OK with the electronic filing piece to add this?

**CHRISTY ABRAHAM:** Absolutely. For Frank.

**RAYBOULD:** Anything for Frank.

**BREWER:** That will be Frank's memorial here.

**CHRISTY ABRAHAM:** That's right.

**BREWER:** OK.

**CHRISTY ABRAHAM:** We want, we want to do something for him. That's right. That's right.

**BREWER:** Questions? Questions? All right. Thank you for your testimony.

**CHRISTY ABRAHAM:** Thank you so much.

**BREWER:** OK. We left off on opponents. Any additional opponents? Anybody here in the neutral on LB559? Senator Blood, come on back. While you're doing that, I'll read in. You have 4 proponents, 0 opponents and no one in the neutral. With that--

**BLOOD:** Well, I should just leave.

**BREWER:** --the floor is yours.

**BLOOD:** You know, it's pretty rare-- I don't know if it's ever happened, that I've had opposition from the League of Municipalities. I've been-- I was as, Senator Sanders knows, I was involved with them when I was on the council. I've always worked closely with them as a state senator. This is one time that I disagree. When you file a conflict of interest form, I believe it's because you actually have a conflict of interest, and so you do it. It's an action that happens when something else happens. I think it's kind of an insult to smaller communities to say that they wouldn't be able to figure it out,

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because we all do, right? We're all-- we all get our form in. And if we don't, they make sure and let us know that we don't. I don't know anybody that has ever been fined for anything like that, and he just said that. One of the things that I initially wanted to do is I wanted to do it for every mayor and every city council member across Nebraska. And the reason I didn't do it is because of broadband. It's because I wanted to be fair and make sure that we didn't make an extra hurdle. We went with the cities of the first-class that we felt-- that would, in most cases, be able to do it. But what I also like is that we're streamlining government, right? That we're getting rid of paper, it's going to be done digital and we're going to have instant transparency, which is really powerful. For me as a voter, I like to be able to go up on, on websites and see what's going on with the candidates that I support or don't support. But that's also because I overresearch everything. But it should be there and it should be made available. And you heard that he-- I forgot your name. You heard Frank say-- [LAUGHTER].

**BREWER:** Oops.

**BLOOD:** You heard Frank say--

**CONRAD:** Yeah, we are all there. Yep. Yep.

**BLOOD:** Whatever his name is. You heard Frank say that, yeah, this extra work really isn't extra work because we're streamlining everything and taking away the paper, and it's actually going to be, I don't know, less work, but definitely streamlined and easier for their staff. And so I just-- I want to put it in perspective. I understand why the League would come out against it. Nobody wants to do more than they have to. But it's really past time. You saw the handout. It's not like they're not going to be in good company. There's no reason they can't do it. It'll take them a minute or two to fill it out. Unless they have, like, 20 jobs that they have to report to-- report. And it's going to create greater transparency. And if we go digital, which is really important, it's also going to help with staffing.

**BREWER:** All right. Thank you. Questions?

**CONRAD:** Thank you, Carol.

**BREWER:** I got to tell you, this, this bill is growing on me. And the fact you have nobody who sent a letter in opposition?

**BLOOD:** See?

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**BREWER:** I think you've got a winner here.

**BLOOD:** I could get it on consent.

**BREWER:** Well, actually-- nope. Tech-- technically, technically, you're there.

**BLOOD:** You could take pity on me.

**BREWER:** All right. No one testified in opposition.

**CONRAD:** There might not be a consent.

**BREWER:** No letters in opposition, so.

**BLOOD:** Well, I, I don't know. Does the League really count when they come in against somebody?

**BREWER:** Oh. Oh. Oops. Eesh. Well.

**BLOOD:** With that.

**BREWER:** Well, with that-- well, we could-- we still have that exec capability, so.

**BLOOD:** Thank you very much.

**BREWER:** Maybe not consent, but we can still move. All right. Thank you.

**BLOOD:** Thank you.

**BREWER:** OK. We will have a transition. And we're off to LB737.

**RAYBOULD:** That's great.

**CONRAD:** Is this your last bill?

**RAYBOULD:** I have one. More,

**CONRAD:** and I'd like to bring.

**RAYBOULD:** Your take. OK. Does she work?

**CONRAD:** Yeah.

**BREWER:** OK. Check in with Senator Boyle so you can hold up. Just ask a question of certain blood. It has to do with her, Bill.

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**RAYBOULD:** Yes.

**BREWER:** And I don't want to. Senator blood.

**Speaker 5:** One.

**Speaker 4:** Question. I have a moment of clarity on the right. You can.

**Speaker 5:** Be stand standout.

**Speaker 3:** Genius this time. You get you got what you think you.

**Unidentified:** Thank you so much.

**Speaker 6:** Adjectives are attractive.

**BREWER:** All right. Sorry for that delay. It was just-- I, I just was going to ask her if, if we did an amendment to where it was the E clause that would take off the League's testimony, and then it would make her eligible for consent calendar. So I was trying to think of a way to get her there--

**CONRAD:** Allegedly.

**BREWER:** --and she agreed to that, so. Anyway, LB737. Senator Raybould.

**RAYBOULD:** Yes. Well.

**BREWER:** Welcome.

**RAYBOULD:** Thank you, Chairman Brewer and my colleagues. This is your last piece for today. My name is Jane Raybould, and it's spelled J-a-n-e R-a-y-b-o-u-l-d. And I represent LD 28, which, as you all know, is the heart of Lincoln. You may also know by now that I love research, numbers and facts and honesty. Did you know that Nebraska is on-- is one of only four states in the entire United States that has unlimited, meaning no restrictions on contributions from individuals, state parties, and PACs, and with absolutely no prohibitions on corporate or union contributions? By the way, the other three states that have unlimited on all these categories are Oregon, Utah and Virginia. And the handout that you have shows the states that surround Nebraska and, you know, what they currently require of individuals, state party, PAC contributions, corporate contributions and union contributions. And I, I point that out early because if you take a look at it, there's really only two states that really jump out that surround us: Iowa-- but we beat Iowa. We beat Iowa in that we don't--



we have unlimited contributions from corporations, so. But Iowa is the only state in our cohort that surrounds us that prohibits corporations-- or, campaign contributions from corporations. And for full disclosure, I have been a student of campaign finance reform since before I held political office. I have given out Jane Mayer's book, *Dark Money*, for Christmas gifts as long as that book has been published. Gave it to all my city council members, which they love. And the reason why it's such a great book-- if you love political history, if you love political campaigns, it covers all of that. And it is a fascinating read. It's a fascinating history of campaign funding. It's a fascinating history of the rise of the Koch brothers and their enormous wealth and influence. And it also includes many of the U.S. Supreme Court cases that ultimately ended up with *Citizens United* in 2010, allowing corporations to have free speech and to provide unlimited campaign contributions. However, in federal, federal races, there are still restrictions. In *Citizens United* versus the Federal Election Commission, it ruled, and I quote, "independent expenditures, including those made by corporations, do not give rise to corruption or the appearance of corruption." So we've had about 13 years since that, and we've seen a lot of things that we need to review and revisit. And I want to thank Senator Carol Blood for coming up with all the, the legislative bills that she has been working on for so long. They're really quite good, and they're really quite in the bipartisan spirit because it cuts both ways. It impacts both sides. And I really do not mean any disrespect, but to bluntly and state the obvious, in recent elections and current elections, that give rise to the appearance of corruption, or actually putting your financial thumb on the scale. And for an example, such as the current Lincoln mayoral race, where the majority contributors are one company, one family, and one U.S. senator. Other more recent and disturbing is our recent Governor's race. And I don't-- I do not mean to disparage our Governor. I am a big fan of his. However, when you look at the face value of the transaction that I'll talk about, it shows that the funding levels in the Governor's race reached new highs but also showed that one family made the largest contributions to the winning candidate that turned around and then appointed one of the major contributors to fill a U.S. Senate seat that was opened. I have truly been so honored to run and won county board, city council and State Legislature races. I was also on the ticket in a statewide race as Lieutenant Governor in 2014 and another statewide federal race in 2018 for U.S. Senate. There's no way to sugarcoat it. We all know it. We all see it. We all use it. Money is the fuel that moves the political dial and funds your message. I have also had the privilege of traveling all over the country with U.S. Democratic women senators,

meeting with the high-dollar donors that fund federal races. And no, I didn't meet or see George Soros, so I have never met him, so. Wherever I have traveled, the amazing women senators spoke about issues that they were passionate about to the crowds that came to hear us. Being only a candidate and not a current U.S. senator, I normally got to speak last or speak very little. And, and I also have said that-- I said that all the senators are absolutely correct on the issues that they're championing and advocating. But no matter how the issues at hand would help move our country forward, until there is real campaign finance reform, these issues will not overcome any hugely funded campaigns by corporations. And that is when-- I would get thunderous applause from all the people that attended because they all recognize-- people all over the United States recognize fundamentally that there is so much influence of money and who-- which candidate wins. And, of course, the point again is that money and more money is influencing the outcome of so many races. When I'm on the campaign trail-- and I say this kind of jokingly, but I also share this observation. You know, in, in the state of Nebraska, where we have the tiger beetle is listed as an endangered species? I say, you know, I feel strongly that we should be including our moderate Republicans on that list as well because they're being exterminated in our state in so many of the political races that are going on. And I've also heard from so many candidates that run and won and colleagues that they fear being primaried if they don't toe the line and print-- present their Conservative bona fides, their Conservative credentials. I have spoken with qualified Republican candidates that lost races because of overwhelming contributions primarily from a single family. OK. So that brings us here today, asking you to consider LB737 as a small step in the right direction towards transparency and, and sensibility in funding limitations that cut both ways. And so here is what LB737 does. It basically limits a candidate receiving contributions of no more than \$1,000 during an election period. And I know that's pretty harsh, but that's why I provided you the handout, showing what-- you know, the state of Colorado, they limit it to \$625 statewide, \$200 as a legislative candidate. I'm not saying that's the right amount, and I'm certainly open to what is the right amount. But if you look at-- I have a really comprehensive list of all the states. You know, Alaska limits it to \$500 for the candidate from one contributor per year. Colorado, as I spoke, had \$625. Delaware has \$1,200. Florida is \$3,000. You know, there is an appropriate amount. But I find that if you curb the influence of money on both sides, you can still get your message out, and it's up to the candidate to, to work extra hard to do that. I know as, running for U.S. Senate back then, the, the limit was \$2,700 [INAUDIBLE] the primary from an individual and \$2,700 for the

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general. So, \$5,400. It doesn't seem like that's a, a big amount, but it's hard if you need to raise mill-- if you need to raise millions and millions of dollars. And I think if we look at the states that have enacted this-- right now, we don't have any restrictions. Unlimited amount for every category, every candidate. So I think it's very helpful if we look at this and look at all the other great things that Senator Blood has, has proposed to get us on the right track on campaign finance reform. So, thank you very much for the time. And I'd be happy to, to answer any questions.

**BREWER:** All right. Thank you for your opening and your bill. Senator Halloran.

**HALLORAN:** Thank you, Mr. Chair. Thanks for bringing this bill, Senator Raybould. So the question I have-- on line 13, it says this section does not apply to a candidate's own personal funds contributed, contributed to the candidate's committee.

**RAYBOULD:** Yes, that is correct.

**HALLORAN:** Well, as we're all aware, current limitations on our salary of \$12,000 kind of limits this gambit to people who either can't afford it or, in my case, thought I could.

**RAYBOULD:** And you made it.

**HALLORAN:** Yeah, and with some remorse because it's expensive, right? For what I do and what I get-- and I'm not-- I'm, I'm fine with that. I'm glad I'm here. But my point is, it limits it-- that part, salary, limits this gambit to people who have the financial wherewithal to do it or people that think they can or have that, and limits it to people-- people of lower income can't afford to do this. They simply can't afford to do this. And then in the same fashion, if a person has the financial wherewithal to fund their own campaign and a person of modest income can't do that, then they have the-- they have an extreme advantage.

**RAYBOULD:** Well, currently, it's that way right now. It currently is that, that way right now, that if-- you can self-fund your, your own campaign. And I, I hear your concern, Senator, and I understand. But, you know, it, it can be done. I mean, I've run so many campaigns on a shoestring budget. I've never gone into debt on any campaign. So, you can do it and you can do it even-- even when you don't contribute any money to that, you, you can run an honest, fair, decent campaign on, on limited means. There is no doubt in my mind that it can be done.

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**HALLORAN:** Well, I would compare what little I spend on my campaign to anybody's campaign, and I've won twice. But my point is this bill limiting it to \$1,000 from any individual contribution is going to limit the opportunities for someone of lower means to be able to run because they don't have the personal financial wealth to self-finance their campaign.

**RAYBOULD:** And, and I, I respectfully disagree with that. I really do. You know, people--

**HALLORAN:** I, I respect your right to disagree.

**RAYBOULD:** I, I have contributed less than \$1,000 and still have run and won campaigns. And, you know, it's-- it is doable. There is no doubt it's doable. And I've seen younger people on different elected positions that they've chosen to run for, and, you know, they can only run for these positions with the support of others. They don't have the wherewithal, and they do it. I think of Senator Anna Wishart when she ran her first race for Lincoln Airport Authority. She literally outwalked and outran any candidate and hit more households than anybody else I have ever-- was fortunate enough to canvass with. It can be done. And it-- I usually go to-- resort to Survivor: outwit, outlast, outplay. And you can win. You can win. And you've heard it. You know, in the legislative races, you have to walk and knock and listen to your constituents. And I recognize it's so hard when you have three, four, five counties that you have to cover. And, and Senator Brewer, you have the largest territory of, of anyone where you have to cover and how challenging it is. But I think nothing is insurmountable. And I have seen people that enter races that don't have the financial wherewithal, and yet they win. Thank you for the question.

**BREWER:** Senator Lowe.

**LOWE:** Thank you, Chairman. Won't this favor an incumbent because the incumbent has three years to pile up the money for the election year?

**RAYBOULD:** Yes, Senator. I would agree with that. Any incumbent clearly has an advantage no matter what seat or race they hold.

**LOWE:** But, but this would be a financial benefit to them.

**RAYBOULD:** I don't look on it as a financial benefit. I can just tell you about my first race as a county commissioner. I ran against a nine-year Republican incumbent. And again, I did exactly what Senator Anna Wishart did: just outworked, outwalked, outlistened my opponent.

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And you would think that that incumbent would have a clear financial advantage and name recognition and all those years of public service. But not if, not if you do what most candidates who really want to win is to walk and knock and listen to their constituents so they get to know them.

**BREWER:** Senator Halloran.

**HALLORAN:** Thank you, Mr. Chairman. [INAUDIBLE]. This was for the county commissioners?

**RAYBOULD:** Lancaster County Commissioners.

**HALLORAN:** What's, what's the salary for commissioner?

**RAYBOULD:** You know, that is a great question. And that is-- at that time, I think the salary of a Lancaster County Commissioner 12 years ago was \$36,000. And you got full health benefits. You got retirement benefits. And we could have a long discussion about your task and responsibilities for a county commissioner versus what we do. Quite a severe imbalance. I find-- I've been a county commissioner, city council member, and now a state senator. The workload for a state senator is at least ten times more than a county commissioner, yet I think we now probably-- I think the salary for a county commissioner is about \$46,000 now.

**HALLORAN:** That's part of my, my question--

**RAYBOULD:** Yeah.

**HALLORAN:** --about whether or not-- here, it's \$12,000, right? A person of modest means isn't going to be able to make that decision to do this unless they get some financial contributions, right? And so we're--

**RAYBOULD:** Yes.

**HALLORAN:** Right. So as opposed to a position that now makes-- then made \$36,000, now makes \$46,000, whatever the case is, someone of modest means can say, yeah, I can-- you know, I can make a living off of that.

**RAYBOULD:** Perhaps, yes.

**HALLORAN:** Right?

**RAYBOULD:** Right.

**HALLORAN:** But off of, off of this position, you can't-- I mean, it's just-- you just get-- you're getting by, and that's fine. But, but we're limiting how many people can run for this office by the varied needs of the salary or by limiting the amount of contributions that they can get.

**RAYBOULD:** Well, I know-- you, you're not supposed to live off your contributions, and I know that we aren't doing it for the money. And we know that most young people cannot take on this position for the money unless they are financially secure. So I think-- you know, I agree with you 100 percent. I think our, our beef and-- it would be great if we worked together as Legislatures and worked with all of our constituents to get them to, you know, increase the salary for this position. But I don't, I don't care what position you're running for. If there's a will, there's a way. And it doesn't always have to take money to do it. However, money is essential so that you can get your message out, so that you can print your fliers, that you can go door to door and distribute rather than putting them through the mail. So I, I'm a firm believer. I have seen so many young people run and win just by determination and grit and chutzpah, you know. It can, it can be done. And people that I know really don't do it for the money. You would think that I'm a smart businesswoman, you know, going from county commissioner, half the salary of city council and then just cutting it in half as a State Legislature. But we all know we do public service because that's our passion and that's what our heart tells us to do.

**BREWER:** OK. Yes, Senator Conrad.

**CONRAD:** Thank you. Thank you, Chair. Thank you, Senator Raybould. I mean, there's no question that you are well-versed and passionate about this topic. And, in a lot of ways, I wish it wasn't coming to us today because I'm not sure if our full brains and full hearts are all here. It's the tail end of, of committee hearings. But nevertheless-- you know, I had a unique experience where I ran for the Legislature my first two go-arounds under the old Campaign Finance Limitation Act, where there were contribution limits on, on what you could spend when you ran for, for various offices and different restrictions on what was corporate versus individual. And it was challenging, but that was the system that was in place at the time and that everybody operated under in, in an effort to address some of the same policy concerns that you were talking about, to limit money in politics and to provide for a more even playing field. Now, there were subsequent court

rulings which called into question that system. And so this is why Nebraska has, has kind of reverted to this unlimited or, or more unregulated kind of posture. But one thing that I'm-- two things-- two threads that I'm trying to think through. One, much like a filibuster and changes to rules, I think money in politics is very fluid. So if this restriction were to be put in place, I, I do feel like the money would flow in other ways still. And so I'm trying to kind of make sure that I'm looking at this in regards to the broader playing field. So that's kind of the first practical consideration I'm looking at. The second would be more just in the kind of the general free speech, kind of First Amendment kind of perspective, which I think you did a good job laying, laying out kind of how you see those things. OK. I lied. And then the third piece is you might know-- well, I know you know because we stayed in close contact during my most recent race for the Legislature. Coming in very late after most of the big money folks were committed to another candidate, I had only myself and my campaign account to rely on. I, I really didn't have the support of a lot of those folks that write a, a lot of big checks or the political parties or whatever. And so this would have, for example, really handcuffed me and my ability if I wasn't able to raise individual dollars for my own individual account. And I'm wondering if perhaps that, just based on that experience, if there would be an unintended consequence that would push people to be less independent if, if they're not able to garner those resources in their own account and have to be more reliant upon dark money or independent expenditures or party groups or corporate groups. And I know there's limitations on coordination, et cetera, but, like, those are some of the threads that I'm kind of trying to untangle as I'm, I'm thinking through the issue.

**RAYBOULD:** And I, I think you're absolutely correct. And I think any type of campaign finance reform cannot be done, you know, with-- single-mindedly. It has to be a total comprehensive package, the issues that Senator Blood has brought forward to us. It should be there are elements of com-- comprehensive campaign finance reform that have to be done. So, I mean, this was just-- baby step one, let's limit it to the contributions from individuals. Step two, we could do state parties. Step three, we could prohibit contributions from PACs. We could prohibit contributions from unions, as quite a number of states do. Nebraska is still an outlier; independent, unlimited. Sky's the limit of how much you can spend on any campaign. But like I said in the opening remarks, there's only three other states that are like us. And Iowa is almost like us, except they have prohibited, prohibited campaign contributions from PAC. Would that have made a difference in your race? No, I don't think so. I, I don't think so.

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You would put yourself in a little bit of a disadvantage when you enter a race at a later point in time.

**CONRAD:** Yes. That's for sure.

**RAYBOULD:** And so you have to scramble. You have to hustle twice as hard. There is no doubt about that. And, certainly, you are starting your race behind on the, the, the fundraising component of it. But just to talk about your race. You had a tremendous advantage with your name recognition, having been an incumbent, having served. People remembered you from the Fighting 46 and, you know. So that, that really helps. Every single one of us has been involved in school board, in some nonprofit organization in our hometowns, has served in political office as well, in, in different levels. So, I mean, that's why we do a lot of things, because we love public service. But no one said it's going to be easy. No one said it's going to be a piece of cake. Certainly, this, this session for me hasn't been a piece of cake. And I've already Senator Patty Pansing Brooks if she would like her job back, and she hasn't responded to that, so. But it's a tough job. We all do a tough job. And we, we clearly don't do it for the money, but it's unfortunate that money has had so much influence and certainly impacting great Republican candidates and colleagues that have run for many offices.

**CONRAD:** Thank you. Thank you, Senator. Appreciate it.

**BREWER:** OK. Additional questions? Senator Halloran.

**HALLORAN:** Thank you, Mr. Chairman. And to be clear on the record: I did not do this for the money. But for a young person to get on board on this, that's making a modest income-- I think we'll all agree with this-- that make a modest income, they have to sacrifice whatever modest income they have to do something for \$12,000 a year plus per diem during session. That's my point.

**RAYBOULD:** I think--

**HALLORAN:** It's not because I-- I knew what I was getting into. Didn't do it for the money, although I suggest to people that's why I did it. I did-- obviously did not, right? So I just wanted that on the record that, yeah, public service is important and that's why we're here.

**CONRAD:** Of course. Yeah.

**RAYBOULD:** Thank you. So, so noted. And I certainly think of Amanda McGill, who, who did really-- worked incredibly hard and had to work



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at Target to, to help supplement so that she could, could serve and be engaged and involved.

**BREWER:** Senator Lowe.

**LOWE:** Thank you. And I hate to belabor this because this is last bill of the day and heading toward evening, but aren't there ways around this then too if you have an organization--

**RAYBOULD:** Sure.

**LOWE:** --and, and you just say, OK, everybody gets a \$3,000 bonus this year. We would like you to use that as a campaign donation to, you know, to several of your choice of candidates. And so all of a sudden, instead of getting a \$5,000 contribution from one person, they're getting \$4,500 or, or \$6,000 instead of \$5,000 because everybody just decides to, to make a contribution.

**RAYBOULD:** You're absolutely correct. That is probably a really creative go-around, but this bill only talks about individual contributions.

**LOWE:** But that would be an individual, individual contribution.

**RAYBOULD:** That's correct. You're absolutely correct. And that was a very creative go-around, I might add. But, you know, it still doesn't limit-- this, this bill has no limitations on what your party can contribute. It has no limitations on any PAC contributions. It has no limitations on corporations or unions. This is just, like, one baby step. Maybe I'll come back next year and--

**LOWE:** But it-- but a single person can do the same thing.

**RAYBOULD:** This single person could absolutely do the same thing, and we've seen it.

**LOWE:** And George Soros, Soros could would come in or Pete Ricketts could come in and give everybody \$1,000 and say, hey, make a contribution for me.

**RAYBOULD:** I, I guess he probably could. But the, the person that has-- is listing their name as the contributor probably is putting their name on the line saying that, this is money from me. And I know that other candidates on a federal level have done that, and I think it has gotten them into trouble.

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**BREWER:** OK. Any additional questions? All right. And you'll stick around for close?

**RAYBOULD:** I will.

**BREWER:** All right. Thank you. OK. We'll start with proponents to LB737. Yeah, if you're planning to testify, come on and move forward here.

**SHERI ST. CLAIR:** There's a draft in the front of the room. I'll sit in the back.

**BREWER:** All right. Welcome back.

**SHERI ST. CLAIR:** Thank you, Senators. Sheri St. Clair, S-h-e-r-i S-t. C-l-a-i-r. Testifying on behalf of the League of Women Voters of Nebraska in support of LB737. The League works to promote equity and campaign finance. One of our goals is to ensure maximum participation of citizens and protect democracy from representation distortion by high-dollar contributors. Setting a threshold for campaign contributions allows for a more diverse pool of dollars, reducing the potential for imbalance due to individual exorbitant contributions. As Senator Raybould mentioned, this is what we're seeing right now in Lincoln. We have a candidate for mayor who has had two six-figure-size donations to her campaign, which does create imbalance. Therefore, all efforts which work to bring equity campaign finance will help to ensure elected officials are representative of the people they serve rather than major financiers. We urge the committee to advance LB737 for full floor debate.

**BREWER:** All right. Thank you. OK. Questions for Sheri? All right. I think we're getting wore down.

**SHERI ST. CLAIR:** I don't mean to be responsible for that. Thank you.

**BREWER:** Thank you. OK. Next proponent to LB737? All right. One more time, Gavin. Welcome back.

**GAVIN GEIS:** I know. One-- here we go. Chairman Brewer, members of the committee. My name is Gavin Geis. That is spelled G-a-v-i-n G-e-i-s. And I'm the executive director for Common Cause Nebraska. You're being handed the testimony I have prepared as well as my review of current campaign finance laws dealing with this, some nationwide medians. I am calling inaudible on some of this. I'm not going to do this word for word, given that you all have many questions that I think are worth talking about. And so I would rather address some of that. But I will

hit some of this real quick. I, I think it's worth noting that last year was the most expensive election in Nebraska's history by far. It was double the previous, the previous record. \$50 million was spent last year. Previously, \$23 million was the cap, was the highest. The Governor's race alone was \$29 million. And, as we all know, legislative races continue to exceed \$100,000. Those numbers are just going to keep going up. Now, we can't pin any one interest, any one party for the spending. It's across the board. It comes from environmental groups. It comes from Democrats and Republicans. It comes from school choice advocates. It comes from every source. All we know and can say for sure is that big money interests are spending a lot of money in Nebraska and average Nebraskans are getting sidelined. Average donors don't really matter in elections anymore. It's only the big money that really puts people over the line. Two things that I do want to note before I get into some of the questions today is I think that continuing to allow big money to run our elections means that elections will continue to get more expensive and that allowing one donor to give means that the opponent will seek out another donor that can give, and that just drives costs up over and over again until it's really only big money that's controlling things and small donors have nothing to say. I think it's important to put caps on contributions because the donations of everyday people should matter. They should have some weight. But when someone can give \$100,000, \$50,000, \$10,000, why bother? And why bother with then the interests of average people? Why not make your platform, the, the issues you care about, those that point towards and favor the wealthy? Because that's the way you'll get your donations. Why not be more green? Why not talk more about how we should have renewable energy? Because that's what gets you the big money, and it pushes it away from the average, everyday people that are in the communities you're out-- setting out to represent. Now, from here, I just want to talk about a few of the things that were brought up today. First of all, Senator Conrad mentioned concerns about free speech. That's certainly worth noting. The Supreme Court has taken up this issue. In Buckley v. Valeo [SIC-- Valeo], Valeio [PHONETIC]-- I'm probably saying that wrong-- the Supreme Court upheld campaign contribution caps. They overturned caps on how much candidates could spend. So we can't say candidates can only spend \$10,000 an election. Supreme Court said that's a violation of free speech, but they said states have an interest and the people have an interest in curtailing corruption and the appearance of corruption. And so contribution caps, they pass constitutional muster. As far as candidates using their own funds in elections, Supreme Court has actually protected that. And that's why this bill cannot go after that, cannot talk about it. As individuals, we can spend money on

political causes. And so we can't regulate that in Nebraska. No one can regulate that. Unfortunately, that means that some will, of course, have their own funds, as Senator Halloran pointed out, to dip into. But I do not think it points us away from doing anything whatsoever, given the amount of money we've seen spent in our elections. As to the impact on low-income candidates, I would say our system right now already cuts against low-income candidates. If you do not have connections to those who have money, if you don't know somebody who can give you \$10,000, \$20,000, as many low-income Nebraskans do not have those connections, they are already behind the curve. They are already working against those who are well-connected, plugged in, who can get \$10,000 for Pete Ricketts. Many cannot. This would have an impact, of course, on the biggest donors, right? This would not have a, an impact on the little guy. And there's no reason this has to be \$1,000. As a group, as a Legislature, you can discuss what's fair. Is it \$5,000? Is it \$2,000? It doesn't have to be \$1,000 if you think a bigger number would be more equal and better for big donors. But walking away and saying, well, we can't do anything, is not the option I would encourage us all to take. In terms of incumbents being favored, looking-- I've done research on campaign finance. Incumbents are already favored by big donors. That is already the system we have. Much like the disadvantage low-income Nebraskans are facing, incumbents already rule the roost when it comes to how much money is received. And so would this shift some of those demographics? Maybe, but it would not change the bias that's already in our system. And can people get around it? Yes, certainly. Big mon-- big spenders will always find ways around campaign finance, but I do not think that is a reason to say we should do nothing. This is a lot of money, and I think average Nebraskans are being hurt. And I think the interests we're just talking about in representing the state are being damaged by the amount of money we're seeing spent, so. I have the red light. Farewell from me.

**BREWER:** All right. Thank you for that testimony. Let's see if we don't have some questions for you. Questions? Senator Lowe.

**LOWE:** OK. So we got a single donor, a guy who has got a lot of money, whoever he is, whichever side he is, can't they just form a PAC, an organization, and give through that then?

**GAVIN GEIS:** If we, if we do what other states do and expand the number of organi-- entities we regulate, no, right? There are--

**LOWE:** With, with, with this bill?

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**GAVIN GEIS:** With this bill. Now, it says "individual." I would be interested to hear if Frank Daley thinks that includes more than just people. But, yes. If, if we're just going to talk individuals, yes. I think it's worth expanding the bill, personally. I would go corporations and PACs and unions and the whole gamut.

**LOWE:** But if you're organized as a, as a union, then each one of your members could give a contribution up to whatever amount we set.

**GAVIN GEIS:** They could, but they can-- you cannot be forced. That, that is illegal. You can't-- right. You can't force your employees or your members or your union to give to anybody. So, yes. Of their own giving, they could as an individual. And I agree with Senator Raybould. It would go as the-- that individual's contribution. Certainly, yes, it might be coming from one source, but it would be a diversity of names. It wouldn't just be that corrupting influence of one big donor that, to people from the outside, to the average Nebraskan, looks like they're controlling your campaign, they've bought you off. But if it's a variety of union members, that has got to feel different for Nebraskans.

**LOWE:** OK.

**BREWER:** All right. Any additional questions? All right. Thank you for your testimony.

**GAVIN GEIS:** Thank you.

**BREWER:** OK. Any additional proponents? Welcome back to the Government Committee.

**KATE HIGH:** Thank you, Senator Brewer. My name is still Kate High and I'm still spelling it the same. K-a-t-e. Last name is High, H-i-g-h. I still live in Lincoln. And I am in support of LB737. I'm passing--- in that little packet that's passing around are some charts, which we're going to be looking at a little bit later in my testimony. So often, we Nebraskans find ourselves comfortable ranking in the middle tier various state-to-state comparisons, the only exception being Cornhusker sports. We like to think we may not be the very best, but we're not the very worst either. One big exception is the regulation of money in politics. When it comes to campaign finance laws, Nebraska is a cellar dweller. Senator Raybould's bill would bring Nebraska into line with other states as well as the federal government. It's a good bill that will improve the effectiveness of the Unicameral and will be a benefit for our state as a whole. In my testimony, I'll have three

charts. And a lot of this, Senator Raybould is-- you know, great minds think alike. Chart one. This is a chart that looks like this. And Nebraska has no limit on any amount of the individuals. You can see that-- I like to look at comparisons in our neighborhood. Everybody knows what goes on in California and Nebras-- and New York. That's not like us. So I like to look at what's going on in our neighborhood. So, comparing ourselves to just our surrounding states. And I throw Montana in there just because I like to look at Montana. You can see it's very different. It's unlimited. We are the only state that looks like that, except Iowa. The, the, the average of these states is for upper house Legislature, which would amount to-- the Unicameral would be \$1,063, which would put us in line very much with Senator Raybould's bill. And if you look at chart number two, this is-- unlike other states, Nebraska's finance laws does not differentiate between types of individuals, such as corporations, unions and political action-- you're either an individual or you're not an individual. So this is everything that is not an individual. As you can see from the chart, many of our neighbor states-- neighboring states completely ban corporations and unions and set limits for PACs and political parties. Nebraska is the only state on these two charts that has no limit on the amount that may be contributed by any kind of donor. And if you look at chart three-- this is a lot of numbers, but I'll kind of break it down here. This chart shows the top 30 contributors in the 2018 Unicameral elections and the amount contributed and the candidate who received their largest contribution. It also shows that the contributor was partisan and their party-- and the party they lean towards. So I counted a, a part-- a candidate-- a contributor was considered partisan if 80 percent or more of their contributions went to one party. That's kind of the old 80/20 rule. And a contributor was considered to be a lead if they contributed \$2,000 or more dollars in the 2018 Unicameral race. So these are all partisan donors. And you can see how many of them meet the partisan test of being 80 percent or more. And if you go over on the right-hand side, you see the candidate who received the large donation. Under Senator Raybould's bill, you could just change those all to \$1,000. You could see the impact that that would have. One of the unintended consequences of term limits has been the overall increase in partisanship. Before term limits, the donors contributed along geographic or issue-based lines. Donations went to support the local hometown candidate or candidates based on their positions on issues. After term limits, to an increasing degree, large donors now contribute along party lines. In many, if not most, states with campaign contribution limits, this would be seen as a minor inconvenience. But in Nebraska, with its limitless donations, economically elite, partisan donors have the ability to pull apart the

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basic underpinnings of our nonpartisan Unicameral. LB37 [SIC] will reduce partisanship-- I'm losing time here. I'm just going to cut down here. It says, to me, people like-- when I-- people like me make a \$25 donation, we think we have broken the bank. We have made a major commitment. But there is no way we can compete with elite, partisan donors for your time and attention. Our contributions don't even rise to the level of disclosure. In poll after poll, Americans have said one of their top issues is getting dark money and big money out of the political system. This committee could take a big step toward making that happen. Thank you for your careful consideration of this bill. I ask you for your support in voting this bill out of committee. Thank you.

**BREWER:** All right. Thank you for your testimony. And this is a, this is a lot of information. Thank you. OK. Questions? OK. Any questions? All right. Thank you for your testimony.

**KATE HIGH:** All right. Thank you.

**BREWER:** OK. Additional proponents to LB737?

**CARINA McCORMICK:** What's the time limit? Five?

**BREWER:** Five.

**CARINA McCORMICK:** Thanks. My name is Carina McCormick, C-a-r-i-n-a M-c-C-o-r-m-i-c-k. And my salutation is Dr. Although I won't really get to show off my, my skills because I did all this on my phone. The-- ironically, the campaign finance website seems to be blocked on the Capitol public Internet, so you actually cannot investigate it from the Capitol, which is a separate problem I think we should look into. I wasn't planning on testifying here today, but after what I saw on the floor this morning, my concerns about partisanship in the Legislature have increased dramatically. And some people here have done a good-- have kindly omitted the name of the donor that they're talking about in terms of disproportionate impact on elections. But I really want to talk about this worst-case scenario of one person really extremely changing the entire politics of the state, and that is in Pete Ricketts. It's not just Pete Ricketts as a person, but it's Pete Ricketts as this possibility. He has really shown us the danger of our current laws, and he has used that to his advantage. For the 2,000-- for the last election cycle, either Peter Ricketts or J. Peter Ricketts or J-not-period-Peter Ricketts donated to Holdcroft, \$30,000; to Kauth, \$20,000; to Ibach, von Gillern and Riepe, \$10,000. To the opponents of Dungan, Hunt, DeBoer, Raybould, Machaela Cavanaugh, and I

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assume every other Democrat that got elected, \$10,000. Moreover, for the Governor's race, he contributed \$100,000 to Pillen. \$100,000 from a single person to determine who's going to run our state. And, you know, the other senators here, for the most part, seem to be that \$10,000 was the number that he chose. Suzanne Geist wasn't up for reelection in the Legislature, but she is up for election as mayor. She got \$100,000 from Pete Ricketts. How do you think that having \$100,000 from somebody and knowing how they want you to vote when it comes to taking rights away from trans kids is going to affect your cloture vote when it comes down to every vote matters about the rights that trans kids are going to have in our state? How do you think it matters when everybody else got \$10,000 for State Legislature but Kathleen Kauth got \$20,000? And she's the one that chose to bring the most extreme, most harmful bills against trans kids in this state, multiple bills that are stamped from national groups in line with the Conservative practices that Pete Ricketts endorses and has put into practice with his unlimited campaign contributions that he is allowed to make and that you as a body have the ability to change? You know, I wasn't going to come today because I didn't actually have hope for this bill. And I do recognize the truth of the statement that the master's tools will not be used to dismantle the master's house. But I, after what I saw today, needed to come and talk about the absolute travesty of what we consider to be free and fair elections that is going on behind the scenes with unlimited campaign contributions, specifically from Pete Ricketts and every other wealthy Nebraskan. Keep in mind that the Pete Ricketts of Neb-- of the United States can do the same thing with influencing national races like the Lincoln mayor race and all of these state senates. What do they care who the 49 people in Nebraska Legislature are? The reason is because there's these national groups with extremist views that try to push the same bills into every state Legislature across the country, and they use money to do it. And that takes away from the authenticity of the views of the people of Nebraska. It takes away the right of Nebraskan citizens to influence their state senators because they cannot contribute \$10,000 even to their own state senator, let alone every single state senator who's running for reelection or first election. Maybe \$1,000, as is in this bill, is too low, but this unlimited needs to change. And we don't even need to wonder what if this happens, what if this happens. We're seeing right now the worst-case scenario of unlimited campaign finance in our State Legislature, in local races like Lincoln mayor and in the Governor's race. So I really encourage you to take campaign finance seriously and protect this body. Thank you.



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**BREWER:** Thank you. Questions? Questions? All right. Thank you for your testimony. OK. Additional proponents on LB737? Is there anybody here in opposition to LB737? Welcome to the Government Committee.

**GRANT FRIEDMAN:** Thank you, Senator Brewer and Government Committee. My name is Grant Friedman, G-r-a-n-t F-r-i-e-d-m-a-n. I'm here on behalf of the ACLU of Nebraska in opposition to LB737. Contributing to a candidate or a political campaign is protected political speech, as it allows individuals to demonstrate their beliefs and ideals and support through the candidate they wish to donate to. Our federal election system has contribution limits and an extensive federal scheme, including rules, regulations, statutes and extensive procedure for how to ensure that those limits do not infringe on the ability of donors to express their wishes to candidates or candidates to be able to effectively communicate with the voters they seek to represent. Nebraska does not currently have contribution limits, so we do not currently have that established infrastructure, nor does this bill create such an infrastructure to ensure any newly created contribution limits do not violate the First Amendment's protection of freedom of speech. While contribution limits are, are allowed in Buckley in 1976, the Supreme Court further stated in 2006 in Randall v. Sorrell that Vermont's contribution limits, which are very similar to the ones proposed in this piece of legislation, are unconstitutional because it inhibits the ability of candidates to communicate with their voters. Vermont's bill, just like this one, was not linked to any kind of inflation index or prepared to adjust for the needs of running for a Legislature or any other state position as we continue to live in a society with a changing economics. Because of this, without these protections, LB737 is constitutionally suspect and should be indefinitely postponed. I'm available to answer any questions should this committee have any.

**BREWER:** All right. Thank you. Let's see if we have any questions. Questions? Questions? All right. Thank you for your testimony.

**GRANT FRIEDMAN:** Thank you.

**HUNT:** Thank you.

**CONRAD:** Thanks, Grant.

**BREWER:** OK. Any additional opponents? Anybody here in the neutral? Welcome to the Government Committee.

**FRANK DALEY:** Thank you, Chairman Brewer and members of the Government, Military and Veterans Affairs Committee. My name is Frank Daley, D-a-l-e-y. I serve as the executive director of the Nebraska Accountability Disclosure Commission. And I'm appearing today in a neutral capacity, mainly because this is a major public policy shift, and the commission typically does not take positions on public policy. My purpose today is just to lay out the legal landscape of contribution limits. But before I do that, maybe I can respond to a couple of questions that Senator Lowe had. First of all, your question is, well, what's wrong if the boss just gives people bonuses and says go and make campaign contributions? I think the answer is it's a federal crime. And you can ask former Congressman Fortenberry about that, when money is funneled through third-parties. A second consideration. I think someone asked about individuals. Is it a limit on individuals, et cetera? The bill uses the term "person." No person shall give a contribution of more than \$1,000 in, in a year. The term "person" is a defined term in the Accountability and Disclosure Act, and it includes individuals, but it also includes corporations, organizations, committees, et cetera, et cetera, et cetera. So it's actually a very, very broad term with broad application. I believe you also asked a question about PACs. Can't PACs give as much as they want? I think the bill would limit that because PAC is a person. And in most of the world, unlike Nebraska, PACs might be formed by a corporation or union, but only individuals can contribute to the PAC. So, employees of the corporation, members of the union can make individual contributions. So, ultimately, you're starting out with individual contributions. At any rate, I'd like to talk about the legal landscape. Mr. Friedman appropriately cited the case of *Randall v. Sorrell* as a U.S. Supreme Court case, which essentially stated that campaign limitations are permissible, limitations on contributions are permissible. But if they're set too low such that a candidate cannot effectively carry out a campaign, then they violate the First Amendment. Well, *Randall* was decided in, I believe, 2006. And at that time, we were talking about a \$400 contribution cap for a statewide election. And the court said that's too low. Since that time, we've had the Bipartisan Campaign Reform Act on the federal level, which also set contribution caps for candidates for federal office: the U.S. House, the U.S. Senate. At the time, it set those limits at \$2,000 per-- per election. That is \$2,000 for the primary, \$2,000 for the general from any source. So, \$4,000 during the election year. And it was indexed for inflation. So with inflation and the calculations for the 2024 elections, that amount goes up to \$3,300 per election, or \$6,600 per year. And I guess I'm noting that a U.S. Senate race is a statewide election. This law has been challenged over and over again,

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so it seems to me that this can provide some guidance for the Nebraska Legislature if it wants to move forward with contribution limits. And so what it might want to consider is, number one, setting the limits at least somewhat close to what the federal limits are, because that's kind of a form of safe harbor. They've already been challenged and they've already been upheld. The second thing you might want to consider is to index any amount for inflation, because the problem you can have is if \$3,300 or \$6,600 is the right amount for 2024, maybe by 2030 that's not the right amount anymore because inflation has really degraded the value of those-- of that money. So you might want to have a situation, something like the Federal Election Commission, where there's an inflation index that they have to check on every two years. So, at any rate, thank you for the opportunity to testify on this. And thank you, Senator Raybould, for her interest in ensuring that we have a healthy campaign finance system.

**BREWER:** All right. Questions for Frank? Senator Lowe.

**LOWE:** Is this your last testimony before us?

**FRANK DALEY:** I believe it is, Senator.

**LOWE:** I'm sorry.

**FRANK DALEY:** Thank you.

**LOWE:** I'm sorry.

**FRANK DALEY:** I'll miss you all.

**LOWE:** Come, come back and visit us.

**FRANK DALEY:** Fair enough.

**BREWER:** For a number of us here, it has been seven-- going on the seventh year, so we've had a chance to have you come before us a lot of times. And you've always helped to educate us and, and help us to better understand the rules. So, thank you for that, and thank you for your service.

**FRANK DALEY:** Well, thank you very much, Senator. And I do want to thank all of you and your predecessors over the last 36 years for all of the courtesy that you've shown me. I really do appreciate it. And I appreciate the work you do. Thank you, folks. [APPLAUSE].

**BREWER:** Yeah, we got to do it now.

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**FRANK DALEY:** Thank you very much, folks.

**BREWER:** All right. Any additional in the neutral? Welcome to the Government Committee.

**ROY ZACH:** Thank you, Chairman Brewer. My name for the record. Roy Zach, R-o-y Z-a-c-h. Wasn't really planning on testifying on this bill today, but it kind of caught my interest this morning when I looked over it. Conceptually, I like what it proposes: a limit on how much you can donate to somebody's campaign. As a candidate for the Legislature in this last election cycle, I know what it's like to try to run against an opponent that's very well-funded. I, I congratulate Senator Moser on defeating me. And I know at one point when I was looking at Nebraska Accountability and Disclosure Commission's reports on contributions given, I noted that he could have outspent me by at least \$70,000 if he wanted to. I'm not complaining about that because now he has got put in long hours and I don't, but. Just once-- one or two suggestions maybe for Senator Raybould on your bill. Perhaps bring an amendment forward to maybe raise that limit from \$1,000 a cycle to maybe, like, \$1,000 for the primary and \$1,000 for a general election or something like that. You can play with those numbers how you wish. The other point I'd like to make is, you know, we focus a lot on, like, Koch brothers or George Soros or, or these millionaires or billionaires affecting our elections. Why don't we simply put it into our, our regulations or laws? Besides the limit on how much, a limit on where the money comes from? So, for instance, Senator Raybould, you-- I see-- represent District 28. Why don't we limit who can contribute to you from that district? So I ran in District 22, which is all of Platte County and the western part of Stanton County. You know, I, I don't like to ask people for money. And when I ran, I was considering, you know, would I accept money from outside of the district? I would prefer not to do something like that because I'd like to repre-- represent the people in my district, not some PAC or some corporation from outside the district or outside the state or from anywhere else, in that matter. So I think if we'd considered something like that, it would give a lot greater legitimacy to our elections. We would actually be representing the people that vote for us and not somebody else. And I think I'll just leave it at that. So, thank you.

**BREWER:** All right. Thank you, Roy. Let's see if we got questions. Questions? Questions? All right. Thank you--

**ROY ZACH:** Thank you.

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**BREWER:** --for your testimony.

**CONRAD:** Thank you.

**BREWER:** All right. We're still on those in the neutral. Seeing none. We will invite Senator Raybould back and read into the record. We have 8 proponents, 0 opponents and 0 in the neutral. Whenever you're ready.

**RAYBOULD:** Thank you all very much. Thank you, Frank. You have been an outstanding guide in Accountability and Disclosure. I don't know who's going to fill your shoes, but they, they-- you have such institutional knowledge that has really-- you've been such a good steward for our state, so, thank you, thank you, thank you. Great public servant. So, I'll miss you. But I'm so honored. This is your last hearing too. And I'm so happy that it's our last hearing. And I do want to thank Mr. Daley for pointing out that, yes, this would include-- I don't know-- I don't think it includes the state parties based-- Dick, would it include state parties based-- it says, person includes businesses, associations and committees, among others. "Person" shall mean a business, individual, proprietorship, firm, partnership, limited liability company, joint venture, syndicate, business trust, committee or other organization or group of persons acting jointly. So I think it would cover state parties, PAC, corporate and union. And I do recognize the amount is low, but I know that we pulled it from some of the other states, like Massachusetts. They have \$1,000. But the state party can give \$3,000, but then they have prohibition, prohibitions on corporate funds and, and union funds. So I, I agree that it does need some work. I know in Maine, they limit it to \$1,725. And that is across the board for-- it's the same for the state parties, the PAC, the corporate and the union. So if the committee would give me a couple of days, I'd like to really craft an amendment for your consideration to bring it up to the levels that I think Grant had mentioned, as, as long as it's in a reasonable level of limitation that would be in compliance with the Supreme Court decision. Was it the Supreme Court decision or just a lower court? Supreme?

**CONRAD:** Yeah.

**RAYBOULD:** Supreme Court decision, then. I think I would still ask for your consideration. So, thank you all very much. Unless you have questions. I'm grateful for your time.

**BREWER:** Does anyone have questions? Questions?

**CONRAD:** Thank you.

**BREWER:** Questions? All right. Thank you for your testimony and your close. And that will close our hearing on LB737 and close our hearings for today.